



Shalimar Paints Limited

(Our Company was incorporated as Shalimar Paint, Colour And Varnish Company Private Limited on December 16, 1902 under the Indian Companies Act, 1882 with the Registrar of Companies. The name of our Company was changed to Shalimar Paint, Colour and Varnish Company Limited and fresh Certificate of Incorporation dated September 11, 1956 was issued by the Registrar of Companies, West Bengal. The name of our Company was once again changed to Shalimar Paints Limited and fresh Certificate of Incorporation dated September 18, 1963 was issued by the Registrar of Companies West Bengal. The Registered Office of our Company was shifted from Kolkata (West Bengal) to Gurgaon (Haryana) on September 01, 2016. The Registered Office was further shifted to the current address with effect from February 10, 2017. The Corporate Identification Number of our Company is L24222HR1902PLC065611)

Registered Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana -122 001
Tel. No.: +91 124 4494490; Fax No.: +91 124 4616659

Corporate Office: First Floor, Plot No. 28, Sector 32, Gurugram, Haryana – 122 001
Tel. No.: +91 124 4616600

Company Secretary & Compliance Officer: Mr. Nitin Gupta
E-mail: nitin.gupta@shalimarpaints.com; Website: www.shalimarpaints.com

OUR PROMOTERS: MR. RATAN JINDAL AND M/S HIND STRATEGIC INVESTMENTS

“FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SHALIMAR PAINTS LIMITED ONLY”

LETTER OF OFFER

ISSUE OF 3,37,47,518 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH (“EQUITY SHARES”) OF SHALIMAR PAINTS LIMITED (“SHALIMAR” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹64.50 (INCLUDING SHARE PREMIUM OF ₹62.50) PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT OF ₹ 21,767.15 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 3 EQUITY SHARES FOR EVERY 2 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. NOVEMBER 09, 2018 (“THE ISSUE”). THE ISSUE PRICE IS 32.25 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “OFFERING INFORMATION” BEGINNING ON PAGE 227.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the issue have not been recommended or approved by the Securities and Exchange Board of India, (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. **Investors are advised to refer to the section titled “Risk Factors” given on page 9 before making an investment in this Issue.**

ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in that Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). We have received “in-principle” approval from BSE and NSE for listing the Equity Shares to be allotted in the Issue vide their letter dated **August 01, 2018** and **August 07, 2018** respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825 25, C – Block Community Centre, Janak Puri, New Delhi – 110 058 Tel.: +91 11 4567 5500, 2551 7371 Fax: +91 11 2553 2644 E-mail: spl.rights@spagroupindia.com Investor Grievance e-mail id: grievances.mb@spagroupindia.com Website: www.spacapital.com Contact Person: Sri Krishna Tapariya/ Manisha Sharma		Beetal Financial & Computer Services Pvt Ltd SEBI Regn. No.: INR000000262 Beetal House, 3 rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062 Tel.: +91 11 2996 1281-83 Fax: +91 11 2996 1284 E-mail: beetal@beetalfinancial.com , beetalrta@gmail.com Investor Grievance e-mail id: investor@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Mr. S P Gupta
ISSUE PROGRAMME			
ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON	
December 03, 2018	December 10, 2018	December 17, 2018	

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DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations set forth below shall have the same meaning as stated in this section. The following list of certain terms used in this letter of offer is intended for the convenience of prospective investors only and is not exhaustive. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The work and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Tax Benefits” and “Financial Statements” beginning on Pages 63 and 79, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
“Our Company” / “Issuer” / we / us / “Shalimar”	Unless the context otherwise requires, refers to, Shalimar Paints Limited, a public limited company under the Companies Act, 2013 and will include our Subsidiary
Articles of Association	The Articles of Association of our Company, as amended from time to time
Associates	Associates of our Company
Audited Financial Statements	Standalone and Consolidated audited financial statements for the Fiscal 2017-18, including the notes thereto and reports thereon
Auditors/Statutory Auditors	The Statutory Auditors of our Company, A.K Dubey & Co., Chartered Accountants(Firm Registration No. 329518E)
Board of Directors / Board	The Board of Directors of our Company, unless specified otherwise
Directors / our Directors	The Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity share of our Company of face value Rs. 2 each
Group Companies	Companies as covered under applicable accounting standards and also other companies as considered material by our Company
KMP	The key management personnel of our Company in accordance with provisions of the Companies Act, 2013. For details, see “Our Management” beginning at Page 71
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Promoter	The promoter of our Company namely Mr. Ratan Jindal and M/s Hind Strategic Investments
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(zb) of SEBI regulations
RDC	Regional Distribution Centres of our Company
Registered Office	Registered Office of our Company situated at Stainless Centre, 4 th Floor, Plot No. 50, Sector -32, Gurugram , Haryana – 122001
Subsidiary Company / Subsidiary	The subsidiary companies of our Company, namely <ul style="list-style-type: none"> • Eastern Speciality Paints & Coatings Private Limited • Shalimar Adhunik Nirman Limited
QUV	Q Panel Laboratory Ultraviolet Testing, in which painted panel is exposed to UV and difference in color and chalking is measured
TiO2	Titanium Dioxide, a major pigment to provide opacity to paint and also enhances durability of paint.

Issue Related Terms

Term	Description
Abridged Letter of Offer	The Abridged Letter of Offer to be sent to Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allotment / Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee(s)	Persons to whom our Equity Shares will be issued pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholders and / or Renounees who are entitled to apply or have applied for Equity Shares under the Issue, as the case may be
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account.
ASBA Account	Account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be, for blocking the amount mentioned in the CAF, or the plain paper application, as the case may be.
ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who are holding our Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and / or additional Equity Shares in dematerialized form; have not renounced their Rights Entitlements in full or in part; are not renounees; and are applying through blocking of funds in a bank account maintained with SCSBs. All QIBs, Non-Institutional Investors and other Investors whose application value exceeds ₹ 2,00,000 complying with the above conditions must participate in this Issue through the ASBA Process only.
Banker(s) to the Issue	State Bank of India, Capital Market Branch, Horniman Circle, Fort, Mumbai
Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Consolidated Certificate	The single certificate issued by our Company to each Allottee per folio to whom Equity Shares are allotted in physical form pursuant to the Issue.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	The Designated Stock Exchange for this Issue shall be BSE Limited
Draft Letter of Offer	The Draft Letter of Offer dated July 10, 2018, filed with SEBI for its observations, which does not contain complete particulars of the Issue.
Eligible Equity Shareholder(s)	Equity Shareholders of our Company as on the Record Date
Equity Shares	Fully paid up equity shares of our Company having a face value of ₹ 2 each
Issue / Rights Issue	Issue of 3,37,47,518 Equity Shares of face value of ₹ 2 each (“Equity Shares”) of Shalimar Paints Limited (“Shalimar” or the “Company” or the “Issuer”) for cash at a price of ₹64.50 (including share premium of ₹62.50) per Equity Share (“Issue Price”) for an aggregate amount of ₹21,767.15 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of 3 Equity Share for every 2 Equity Shares held by the Eligible Equity Shareholders on the record date, i.e. November 09, 2018
Issue Closing Date	December 17, 2018
Issue Opening Date	December 03, 2018
Issue Price	₹ 64.50 per Equity Share

Term	Description
Issue Proceeds	The monies received by our Company pursuant to the issue of Equity Shares on Rights basis which are allotted pursuant to the Issue
Issue Size	The issue of 3,37,47,518 Equity Shares for an aggregate amount of ₹21,767.15 Lakhs
Lead Manager	SPA Capital Advisors Limited
Letter of Offer	The Letter of Offer Dated November 17, 2018, to be filed with the stock exchanges after incorporating the observations received from SEBI on the Draft Letter of Offer.
Listing Agreement	The listing agreement entered into between us and the Stock Exchanges
Non Institutional Investor(s)	Non institutional investor as defined under Regulation 2(1)(w) of the SEBI ICDR Regulations.
“Qualified Foreign Investor(s)” / “QFI(s)”	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India. A Qualified Foreign Investor may buy, sell or otherwise continue to deal in securities without registration as Foreign Portfolio Investors subject to compliance with conditions specified in the SEBI (Foreign Portfolio Investors) Regulations, 2014
Qualified Institutional Buyer(s) / QIB(s)	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FPIs other than category III FPI registered with SEBI, , multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 millions, pension fund with minimum corpus of ₹ 250 millions, National Investment Fund set up by the Government of India and insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, alternative investment fund, systematically important non-banking financial companies
Record Date	November 09, 2018
Registrar / Registrar to the Issue	Beetal Financial & Computer Services Private Limited
Renounees	Any person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled, that is determined as a proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, i.e., November 09, 2018. 3 Equity Share for 2 Equity Shares held on Record Date.
Self-Certified Syndicate Bank / SCSB	Self-Certified Syndicate Bank(s), registered with SEBI, which acts as a Banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
SAF	Split Application Form
Stock Exchange	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where our Equity Shares are presently listed
Working Day	Working Day of SEBI

Conventional / General Terms and Abbreviations

Term	Description
AS	Accounting Standards issued by the Institute of Chartered Accountants of India

Term	Description
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate (calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered)
Companies Act	Means the Companies Act, 1956 or the Companies Act, 2013, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	A depository participant as defined under the Depositories Act
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting
EPS	Earnings per Equity Share
ESOP	Employees Stock Option Plan
FCCB	Foreign Currency Convertible Bonds
FEMA 2017	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIs	Financial Institutions
Foreign Institutional Investor / FII	Foreign institutional investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014 and includes a person who has been registered under the SEBI FPI Regulations, 2014
Financial Year / Fiscal Year / FY	Twelve months ending on March 31 of a particular year
FVCI	Foreign venture capital investor, registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IND AS	Indian Accounting Standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015
Indian GAAP	Generally Accepted Accounting Principles in India, including the accounting standards specified under the Companies (Accounts) Rules, 2014
Listing Agreement	The equity listing agreement signed between our Company and the Stock Exchange
MCA	Ministry of Corporate Affairs
Net Asset Value/NAV	Net Asset Value per equity share at a particular date computed based on total equity divided by number of equity shares.
Net Worth	Aggregate of paid up share capital, share premium account and reserves and surplus (excluding revaluation reserve), as reduced by the aggregate miscellaneous expenditure (to the extent not availed or written off) and the debit balance of the profit and loss account.
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India

Term	Description
NRI	A person resident outside India, who is citizen of India and shall have the same meaning as ascribed to such term in the foreign exchange management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PCB	Pollution Control Boards
RBI	Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

NOTICE TO INVESTORS

The distribution of this Letter of Offer and the issue of the Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer / Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with SEBI for its observations. Accordingly, the issue of the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to Equity Shares. Accordingly, persons receiving a copy of this Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR "U.S."), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

CURRENCY OF FINANCIAL PRESENTATION

In the Letter of Offer, unless the context otherwise requires, the currency is “Indian Rupees/ Rs./ INR/ ₹”. All references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In the Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout the Letter of Offer, unless otherwise stated, all figures have been expressed in Lakhs and / or millions. Unless indicated otherwise, the financial data in the Letter of Offer is derived from our Company’s audited financial statements for Financial years ending March, 2018 prepared in accordance with IND AS, applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and / or regulatory requirements and are included in the Letter of Offer as required under the SEBI ICDR Regulations. Unless indicated otherwise, the operational data in the Letter of Offer is presented on a basis and refers to the operations of our Company. In the Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions used in the Letter of Offer, see the section ‘Definitions and Abbreviations’ on page 1 of the Letter of Offer.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout the Letter of Offer was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

FORWARD LOOKING STATEMENTS

Certain statements in the Letter of Offer are not historical facts but are “forward-looking” in nature. Forward looking statements appear throughout the Letter of Offer, including, without limitation, under the chapters “Risk Factors”. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information.

Words such as “aims”, “anticipate”, “believe”, “could”, “continue”, “estimate”, “expect”, “future”, “goal”, “intend”, “is likely to”, “may”, “plan”, “predict”, “project”, “seek”, “should”, “targets”, “would” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “Risk Factors”, as well as those included elsewhere in the Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to “Risk Factors” on page 9 of the Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, we and Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in the Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risk we may face. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any risk mentioned herein. In making an investment in this Issue, prospective investors must rely on their own examination of our Company and terms of the Issue.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Information.

INTERNAL RISK FACTORS

- 1. We are party to certain legal proceedings and cannot assure investors that we will prevail in these actions. Any adverse outcome in these or other proceedings may adversely affect our business.***

We are involved, from time to time, in legal proceedings that are incidental to our operations and involve suits filed by and against our Company by various parties. There are several outstanding litigations against our Company including Civil, Tax related and Labour proceedings and certain cases filed by us under Negotiable Instruments Act. These legal proceedings are pending at different levels of adjudication before various courts and tribunals in different jurisdictions. A degree of judgement is required to assess our exposures in these proceedings and determine the appropriate value of provisions if any. There are 3 Civil (Eviction/Reinstatement) cases against our Company involving amount aggregating to Rs. 1,116.22 Lakhs and there are six Income Tax cases/appeals involving us with amount Rs. 330.93 Lakhs. We are also party to 21 pending Excise cases with amount aggregating to Rs. 841.78 lakhs and 52 pending VAT cases involving amount of Rs. 3,414,32 Lakhs. There are 13 cases involving our Company with amount aggregating Rs. 98.03 Lakhs in various Labour Courts. We had filed a Criminal Complaint against one of our ex-employee for forging and fabricating of documents and consequently an FIR has been registered by Police on instruction of the court against the said ex employee and others.

Further, there are 351 Criminal Complaints filed by us under Section 138, Negotiable Instruments Act, 1881 involving amount of Rs. 772.23 Lakhs and claims under Insolvency and Bankruptcy Code, 2016 amounting to Rs. 423.70 Lakhs have been filed by us as operational creditor against nine (9) of our customers. A petition in Delhi High Court has been filed by us for appointment of presiding arbitrator in respect of fire insurance claim of Howrah Factory.

Should the proceedings be decided adversely against us, or any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may incur significant expenses and management time in such legal proceedings and may need to make provisions in our Financial statements for such litigations, which could have adverse effect on our business, results of operations, financial condition and prospects. For further details, please see the section entitled “*Outstanding Litigation and Material Developments*” on page 184.

- 2. We have incurred losses in the past and as a result we had negative earnings per share. If we continue to incur losses, the results of our operations and financial condition may be materially and adversely affected.***

We have reported net loss of Rs. 4,555.50 lakhs and Rs. 969.34 Lakhs in the FY 2017-18 and FY 2016-17 respectively on consolidated basis and we have reported net loss of Rs. 4,541.64 Lakhs and Rs. 961.24 Lakhs in FY 2017-18 and FY 2016-17 on standalone basis. As a result, our Company has negative EPS on consolidated basis of Rs. (24.04) in FY 2017-18 and Rs. (5.12) in FY 2016-17 and negative EPS of Rs. (23.97) for FY 2017-18 and Rs. (5.07) for FY 2016-17 on standalone basis. For further details on our

financial performance see section “Financial Statements” on Page 79. The losses we incur put a strain on our financial resources and also affect our ability to operate our business operations. We cannot assure you that we will not incur losses in the future which may materially and adversely affect our results of operations, prospects and financial condition.

- 3. *There has been a decline in the RONW of Our Company over the last Financial Years and it is negative in the financial year 2017-2018. Any further decline in the RONW of Our Company may have an adverse impact on our financials and the price at which our Equity Shares are traded on the Stock Exchanges.***

In the last Financial Year, our RONW has declined from Negative 5.77% in the Financial Year 2016-17 to Negative 37.51% in the Financial Year 2017-18 based on our Standalone Financial Statements and from negative 5.27% in the Financial Year 2016-17 to Negative 33.00% in the Financial Year 2017-18 based on our Consolidated Financial Statements. The RONW has gone down because of losses in FY 2017-18 on account of low production due to shut down of our Nashik Plant due to fire in November 2016. We cannot assure you that there will not be any further decline in our RONW in future.

Any such decline may adversely impact our financials and the price at which our Equity Shares are traded on the Stock Exchanges.

- 4. *There have been delays in payment of certain statutory dues as on September 30, 2018.***

There are pending VAT/Sales tax liabilities to the extent of Rs. 93.41 Lakhs and pending GST liabilities to the extent of Rs. 812.23 Lakhs as on September 30, 2018 and legal proceedings may be initiated against us in case of non-payment of dues.

Further, as per Income Tax website, demand of Rs. 97.34 Lakhs towards Income Tax are shown outstanding, which according to our Company are not correct and our Company is trying to get them rectified with the Income Tax Department. If the Income Tax Department does not allow such rectification, it may render us liable to further taxation/penalties and may adversely affect our business and results of operations in future.

- 5. *The credit rating of our Company's borrowing has been downgraded to CARE D for Long term Bank Facilities in March 2018 and CARE D for short term bank facilities in July 2017. The downgrade of our Company's credit ratings may increase borrowing costs and constrain its access to capital and, as a result, would negatively affect its business operations and profitability.***

The cost and availability of capital is inter alia dependent on our Company's short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our Company's financial strength, operating performance, strategic position, and ability to meet our Company's obligations. The rating of long term and short term credit facilities of our Company have been downgraded to CARE D on March 07, 2018 and 11 July, 2017 respectively. Earlier our long term facilities was revised to CARE B negative in July 2017 from BBB. The ratings were downgraded due to loss of operations/productions at our Nashik plant on account of major fire incident in November, 2016.

The long term ratings was modified from A to BBB+ in October 2014 and then to BBB in December 2015 and short term ratings have been modified from A1 to A3+ in October 2014 and then A3 in December 2015 due to loss of operations on account of fire at Howrah Plant.

The downgrade of our Company's credit ratings may increase borrowing costs and constraint its access to capital and debt markets, and, as a result, would negatively affect our business operations and profitability. In addition, downgrades of our credit ratings may increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development may adversely affect our Company's future financial performance and results of operations. Our bank accounts with the consortium members are now regular. Our Company has approached CARE for reassessment of rating on August 01, 2018.

6. *Our business is dependent on proper maintenance of manufacturing facilities which are located at various places across the country. The loss of or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business and results of operations.*

We have manufacturing facilities at various locations such as Howrah, Nashik, Sikandrabad (U.P) and at Gummidipoondi Tamil Nadu which has been recommissioned and started its commercial production w.e.f September 04, 2017. There was a fire incident at Howrah Plant in March 2014 and the operations are suspended since then. Further, there was also a fire incident at Nashik Plant in November 2016 and the paint plant is not operating since then. The fire incidents have impacted the performance of these two plants. We have restarted part of the Nashik plant which was not affected by fire i.e. Alkyd Resin, Aluminum Paint and Packaging Paint Unit in April 2017.

The Howrah plant was badly damaged in the fire. The insurance claim was filed and an amount of Rs. 1122.35 lakhs was received in June, 2018. However, as regard insurance claim of Nashik Plant, an interim payment of Rs. 1,099.73 Lakhs was received in March 2018.

During FY 2017-18, the production was limited mainly to Sikandrabad, Gummidipoondi (recommissioned on 4th September, 2017) and Nashik plant, where production was limited only at small unit for manufacturing Alkyd Resin, Aluminum paint and Packaging paint. For the FY2016-17, the production was at Sikandrabad and Nashik Plant (upto 19th November 2016). Our Company do not prepare financial accounts of each plants separately and majority of sales are through depots. Based on the finished product level, Sikandrabad Plant contributed 53% and 47% and Nashik Plant contributed 2% and 26% of the finished goods volume for financial years ended 2018 and 2017 respectively. Gummidipoondi plant contributed 12% of total finished goods volume for FY 2017-18. Rest of the finished products were outsourced from third parties.

Our manufacturing activities are subject to operating risks, such as fire, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents etc. The occurrence of any of these risks could significantly affect our operating results.

7. *Our Company had negative cash flows during the preceding financial years from investing activities and financing activities. Inability to earn positive cash flows may have an adverse effect on the business operations of our Company.*

Our Company has positive cash flow from operational activities in the preceding two financial years. However, we do have negative cash flow from investing activities and Financing activities for the preceding two financial years. The details of the same are given below:

Details of Cash flow from Investing activities (Rs. In Lakhs)

Particulars	For the year ended March 31,	
	2018	2017*
Net Cash from Investing activities– Standalone Basis	(1033.50)	(1578.74)
Net Cash from Investing Activities – Consolidated Basis	(1052.81)	(1599.90)

Details of Cash flow from financing activities.

(Rs. In Lakhs)

Particulars	For the year ended March 31,	
	2018	2017*
Net Cash from Financing activities– Standalone Basis	(1775.71)	(1888.70)
Net Cash from Financing Activities – Consolidated Basis	(1775.71)	(1888.79)

*the above figures are as per IND AS and after reclassification of certain financial items.

If we are not able to maintain positive cash flow or improve profitability, we cannot assure you that we will be able to sustain our growth or not incur losses in future periods.

8. We have not provided for certain contingent liabilities for financial year ending 2018, 2017 and 2016, which if materialize could adversely affect our financial position.

In the financial years ending March 31, 2018, March 31, 2017 and March 31, 2016, we have not provided for the following contingent liabilities as per audited financial statements on consolidated basis:

<i>(Rs. In Lakhs)</i>			
.Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Excise Duty	855.95	391.86	302.59
Bank Guarantee	195.91	882.06	774.40
Sales Tax *	1,636.51	772.97	676.73
Others / Claims against our Company not acknowledged as debt (to the extent ascertained)	1,634.75	183.32	73.86
Income Tax	62.73	62.73	53.68
Total →	4,385.85	2,292.94	1,881.26

*(Excluding liability on account of C/F/other forms) the management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect.

If any contingent liability materializes, our results of operations and financial condition may be adversely affected. For more details of our contingent liabilities for the fiscals ended March 31, 2018 and 2017 refer to the section titled “Financial Statements” on page 148 of this Letter of Offer.

9. The net worth of our Company and book value per share has increased in FY ended March 2018 on account of fair valuation of Properties, plants and equipments as per IND AS adopted by us.

We have as on March 31, 2018, the Net worth of Rs. 13,804.16 Lakhs on consolidated basis and Rs. 12,106.57 Lakhs on standalone basis and book value of Rs. 72.86 per equity share on consolidated basis and Rs. 63.90 per equity share on standalone basis of our Company. Net worth has been arrived after fair valuation of Property, plants and equipments as per IND AS as given in audited financial statement for FY ending March 2018. However, in terms of Indian GAAP which was being followed by us till FY 2016-17, our net worth as on 31 March, 2018 would have been Rs. 1,280.43 lakhs on consolidated basis and Rs. 1,316.48 lakhs on standalone basis. Similarly, the book value would have been Rs. 6.76 per equity share on consolidated basis and Rs. 6.95 per equity share on Standalone basis.

10. Significant differences exist between IND AS and Indian GAAP, which may be material to investor’s assessments of financial condition of our Company.

Our Company is required to prepare annual financial statements under IND AS for the Fiscal year 2017-18 as required under section 133 of Companies Act, 2013. We have adopted IND AS w.e.f April 01, 2017. Accordingly, Our financial statements, including the financial statements included in this Letter of Offer, are prepared in accordance with IND AS for FY 2017-18 and also for previous FY 2016-17 has been redrafted to make it comparable.

IND AS differ in significant respects from Indian GAAP. Accordingly, the degree to which the IND AS financial statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices

11. Any delay in production at anyone of our manufacturing facilities or at any of the third party manufacturing facilities we use, could adversely affect our business, results of operations and financial condition.

The success of our manufacturing activities and the success of the launch of our products depend on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued

functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities, including natural or manmade disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could delay production or require us to shut down the affected manufacturing facility. For example, we have had major fire incidents at our Howrah and Nashik Plants previously which caused interruptions at these manufacturing facilities. We use highly flammable materials such as crude based derivatives in our manufacturing processes and are therefore subject to the risk of loss arising from fire or explosions. Although we have implemented industry acceptable risk management controls at our manufacturing locations and continuously seek to upgrade them, the risk of fire or explosion associated with these materials cannot be completely eliminated. Moreover, some of our products are permitted to be manufactured at only those facilities that have received specific approvals, and any shut down of such facilities will result in us being unable to manufacture such product for the duration of such shut down. Such an event may result in delays to the launch of our products and our inability to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition.

Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, disruptions of supply from our contract manufacturers could reduce our ability to meet the demand under our contracts for the affected period, which could affect our business, prospects, results of operations and financial condition.

12. Uncertainty regarding the manufacturing industry, housing market, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.

Our financial performance depends significantly on the upcoming manufacturing industries, on the stability of the housing, residential construction, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them to determine not to purchase home improvement products and services or delay purchasing or payment for those products and services. Other factors beyond our control, the state of the credit markets, including mortgages and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.

Industrial paint demand is dependent on infrastructure and industrial development. Any slowdown in these industries and economy is a major risk for the paint industry. About 75% of demand of decorative paints arises from repainting which in turn depends on the country's economic condition.

13. Raw material most of which is crude based is sourced from external suppliers. Any shortfall in the supply of Raw Material or increase in the Raw Material Cost or other input costs and quality of the same may adversely impact our business, cause delay and increase in costs

The paint sector is raw material intensive, with over 300 raw-materials (40-50% crude-based derivatives) involved in the manufacturing process. Since most of the key raw materials are crude based, the industry is sensitive to crude oil prices. Any rise in crude oil price may hurt our margin as crude oil derivatives account for majority of input cost. Further, any delay in supply or non-conformity to quality requirements by our suppliers or fluctuations in the prices of the same can have a material adverse effect on our cost of goods sold and our ability to meet our customer's requirements. Further, we also import some of our Raw Materials and thus are subject to risk related to currency fluctuation, global logistic disruptions and other factors. This may have an adverse effect on our margins and results of operations. The percentage of imported Raw Material to Total Raw Material was 6.73% in FY 2017-18 and 10.74% in FY 2016-17.

14. We have not undertaken an independent appraisal for proposed fund requirement and the deployment of the proceeds of the issue.

The funds being raised through the Issue are proposed to be used for reinstatement of Nashik plant and setting up of Regional Distribution Centre (RDC) at Nashik, for long term working capital requirement for increase in operations and other general corporate purposes. The fund requirement is based on our management estimates' and has not been appraised by any bank/financial institution. These are based on current conditions. In view of the highly competitive nature of our industry we may have to revise our management estimates' from time to time and consequently our funding requirements may also change.

Pending utilization of the net proceeds, we intend to invest such Net Proceeds in scheduled commercial banks. The utilization of the net proceeds will be monitored by our Board and the Monitoring agency.

15. We outsource the manufacturing of some portion of our products and are therefore dependent on third parties

As a result of shut down of Nashik plant due to fire in November 2016, the plant has been inoperative except that a small unit of Alkyd Resin, Aluminum Paint and Packaging Paint unit of 150 kl/month started production in April, 2017. This affected the Production in FY 2017-18 substantially. Though, we recommissioned the Gummidipoondi Plant in September, 2017 but could not ramp up productions during FY 2017-18 due to liquidity issues. As a result there has been decline in total quantity of Paint Manufactured in FY 2017-18 from FY 2016-17... With recommissioning of Gummidipoondi plant in September 2017, our outsourcing from third parties would decrease substantially.

Particulars	2017-18	2016-17
	Quantity (Volume (KLtr))	Quantity (Volume (KLtr))
In-house Production	21,007	29,159
Outsourced	10,443	10,664
Total Quantity of Paint manufactured	31,450	39,823

Any delay or failure on the part of these manufacturers to deliver the products in a timely manner or to meet our quality standards or unilateral termination of relationship by them may cause a material adverse effect on our business.

16. Certain of our promoter group entities have incurred losses during recent fiscal years.

Some of our Promoter Group entities have incurred losses in the last three fiscal years, details of which are given below:

(Rs. In Lakhs)

Name of the Company	March 31, 2018	March 31, 2017	March 31, 2016
Hexa Securities and Finance Company Limited	(5,300.38)	(559.88)	(707.21)
Sun Investments Private Limited	125.34	190.90	(6.43)
Mansarover Investments Limited	(148.87)	537.65	(51.65)
Abhinandan Investments Limited	(350.59)	13.81	(21.01)
Colarado Trading Company Limited	(16.53)	(19.46)	(432.41)
Stainless Investments Limited	(1,751.27)	72.84	10.86
Jindal Equipment Leasing And Consultancy Services Limited	(1,476.21)	(119.61)	(481.77)
Nalwa Investments Limited	(1,057.09)	6.17	25.18
Gagan Infraenergy Limited	(132.93)	(206.70)	(111.19)
Opelina Finance and Investment Limited	(145.29)	(55.88)	(15.39)
Systran Multiventures Private Limited	5.85	(2.54)	-
OPJ Trading Private Limited	(2,361.95)	146.56	85.29

17. Our subsidiaries, M/s Eastern Speciality Paints and Coatings Private Limited and M/s Shalimar Adhunik Nirman Limited have nil and negligible revenue respectively and are incurring losses.

We have two subsidiary companies namely M/s Eastern Speciality Paints and Coatings Private Limited and M/s Shalimar Adhunik Nirman Limited. Both companies are not in operations as of now and has nil and negligible revenue respectively. Further, Shalimar Adhunik Nirman Limited is incurring losses since last three financial years.

18. We have entered into a number of related party transactions. There can be no assurance that entering into such transaction with related parties will be the most beneficial option for our Company.

We have entered into a number of related party transactions with our Subsidiaries and Directors / Key managerial Personnel. The amount of related party transactions in last three financial years and its percentage to total turnover as per audited consolidated financial statements is given below:

(Rs. In Lakhs)

F.Y 2018*		F.Y. 2017*		F.Y. 2016	
Amount	% of Turnover	Amount	% of Turnover	Amount	% of Turnover
743.12	2.67	180.60	0.46	2151.89	5.33

For further details on related party transactions, see the chapter titled “Financial Statements” on page 79 of the Letter of Offer. *The above figures are as per IND AS adopted by company.

Our Company’s policy on transactions with related parties is that such transactions are conducted on normal commercial terms in the ordinary and normal course of business. Our Company may enter into additional transactions with its related parties in the future. However, there is no independent verification that the terms of such transactions or that any of our Company’s transactions with its related parties will benefit our Company.

19. One of our Promoters, M/S Hind Strategic Investments (HSI) being an OCB cannot participate in this Rights Issue.

One of our Promoters, M/s. Hind Strategic Investments (“HSI”) which is an Overseas Corporate Body (OCB) will not be eligible to participate in the present rights issue (i.e neither it can subscribe nor renounce its Rights entitlement) in view of Para 5(2)(C) of the notification No. FEMA 101/2003-RB dated October 3, 2003 issued by RBI under Section 6 of the FEMA 1999 and further clarification by RBI vide its email dated January 24, 2018. HSI presently holds 58,41,750 shares constituting 25.96% of our paid up share capital.

20. Our Promoters may have the ability to determine the outcome of any shareholder resolution.

Our Promoter Group is the largest shareholder of our Company holding 63.09% of the pre issue paid up capital including 25.96% held by Hind Strategic Investment (HSI), an OCB which cannot participate in the Rights Issue. Our other promoter, Mr. Ratan Jindal, on behalf of Promoter Group has given an undertaking that the promoter group (except Hind Strategic investments,) will subscribe at least to the extent of their entitlement of Promoter and Promoter Group including HSI through themselves or through other members of the promoter group or through investors. As a result, our promoter group may continue to be the largest shareholders, of post-issue equity capital of our Company. As significant shareholders, our Promoters may have interests which may affect the interests of shareholders and /or our interests and may have the ability to determine the outcome of any shareholder resolution.

21. The average cost of acquisition of Equity shares held by our promoters may be lower than the issue price in the Rights Issue

Our Promoters’ average cost of acquisition of Equity shares in our Company may be lower than the Issue Price of Equity Shares in the Rights Issue. Average cost of equity shares by our Promoters is as follows:

Name of Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Ratan Jindal	66,218	80.13
Hind Strategic Investments	58,41,570	12.00

22. We do not have definitive agreements with a majority of our vendors for supply of our raw materials and retail products which may adversely affect our business and results of operations.

Our Company has not executed long term supply contracts with a majority of our suppliers and procures the raw materials and retail products on the basis of purchase orders. Though, we do not have long term contracts with vendors, our suppliers are all consistent and regular and have been pre-approved by the R&D team of our Company. As of September 30, 2018, we have engaged with approximately 425 vendors and suppliers for the supply of raw materials and third party retail products. In the absence of such definitive agreements, it may be difficult for us to exercise our rights or to enforce any obligations against such suppliers. If the existing vendors, temporarily or permanently, are unable to supply the required products as per our requirements or at all, it may adversely affect our business and results of operations.

23. Any disruptions in our logistics or supply chain network and other factors affecting the distribution of our products could adversely impact our operations, business and financial condition.

Our supply chain and logistics network is focused around our 32 sales depots and 3 regional distribution centers. Our depots act as storage facilities for onward delivery of our products to traders/consumers. Any material disruption at depots for any reason may damage our products stored at such warehouses and adversely affect our supply chain network and logistics operations, thereby affecting our results of operations. We engage third party transport service providers to deliver our products to our stores. Presently, we have arrangements with 58 such third party transport service provider including 55 such transport service providers with whom we have entered into definitive agreements for transporting our products to our depots and engage them as and when the need arises. Though, in the past, our business has not experienced any disruptions, any such disruption of our distribution and transport operations may have an adverse effect on the deliveries from our depots to our stores. Any disruption in our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales, increased supply chain costs or damage to our reputation.

24. We may not be able to identify or effectively respond to consumer needs, expectations or trends in a timely manner, which could adversely affect our relationship with our customers, our reputation, the demand for our products, our market share and our prospects.

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and consumer preferences, expectations and needs, while also managing appropriate inventory levels and maintaining an excellent customer experience. The home improvement retailing environment is rapidly evolving, and aligning our business concept to respond to our customers' preference for paints and colors is critical to our future success. Our success is also dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and consumer preferences in a variety of our paint categories. As we continue to grow our business by expanding our products, brand offerings and our geographic reach, maintaining quality and consistency may be more difficult and we cannot assure you that our customers' confidence in our brand will not diminish. Failure or any delay on our part to identify such trends, to align our business concept successfully and maintain quality could negatively affect our brand image, our relationship with our customers, the demand for home improvement products we sell, the rate of growth of our business, our market share and our prospects.

25. Our Registered Office premises, Corporate Office, sales depots and Regional Distribution Centres are not owned by us but taken on lease/rent basis. The non-renewal of lease or any deficiency in the title/ownership rights/ development rights of the owners may impede the operation of our outlets.

We do not own the premises on which we have our registered office, Corporate Office sales depots and Regional Distribution Centers. We operate from leased/ rented premises. The lease agreements for facilities are renewable on mutual consent upon payment of such rates as stated in these agreements. We have 6 owned properties and 39 properties on lease/license/rent from various parties all over the country including one premises of Registered Office, one premises of Corporate office at Gurugram, one property of Sikandrabad factory land on long term lease from UPSIDC, offices at Chennai and Connaught Place, Delhi and 34 others which are used as our RDC's/sales depots. None of our office/depots have been leased from Related Parties except that our registered office is on lease from one of our Promoter group Company M/S Jindal Stainless (Hisar) Limited. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

26. Our Company has historical records relating to capital formation since FY 1995-1996 onwards. We cannot assure you that the records prior to FY 1995-96 will be available in the future or that we will not be subject to any action by the any regulatory authority in this respect.

Our Company has records relating to capital formation from FY 1995-1996 onwards. Our Company is unable to trace such records prior to FY 1995-96. We cannot assure you that those records prior to FY 1995-96 will be available in the future or that we will not be subject to any actions by any regulatory authority in this respect.

27. We may be subject to labour unrest, slowdowns, increased wage costs, and shut-downs.

India has labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislations that imposes certain financial obligations on employers upon retrenchment. At present, our factories at Nashik, Gummidipoondi and Sikandrabad do not have any labour union. However there are labour unions at Howrah plant. There is no assurance that our employees will not seek unionization in the future. In the event that employees at our plants or depots seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. In the past, there has been various cases filed by the employees/workers in labour courts. As on the date of letter of Offer, there are 13 pending cases involving our Company in various industrial/labour courts and 21 notices received from Labour department in respect of gratuity matters.

Further, our business operations, specifically our manufacturing facilities are subject to certain operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply. In the event that we are forced to shut down our manufacturing facility or our depots for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance.

28. We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or Key Management Personnel could weaken our management team.

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. Our Key Management Personnel have extensive experience in manufacturing and marketing of paint industry that are critical to the operation of our business. For further details see "Our Management" on page 71. Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel to replace or succeed our Key Management Personnel or other key employees, should the need arise. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our

management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

29. *The risk of non-payment or default by our customers may adversely affect our Company's financial condition and results of operations.*

Our Company cannot be certain, and cannot assure you, that it will be able to maintain its recoveries in relation to its debtors in the future. Moreover, as our Company's business expands, it may experience increase in delay or defaults in payments by its debtors. Thus, if our Company is not able to manage its bad debts, the overall revenue realization will fall and its results of operations may be adversely affected.

As on March 31, 2018, our receivables from customers amounting to Rs. 2966.80 Lakhs are more than 6 months as per audited financial statement for FY 2017-18. Further, during FY 2017-18, we have written off Rs. 30.55 lakhs being amount in default from various customers pertaining to previous years.

30. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our depots may adversely affect our business, results of operations and financial condition.*

Paint industry is highly working capital intensive. The larger numbers of depots require us to maintain higher inventory to cater to our customers at all time. We strive to keep optimum inventory at our factory and our depots to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory and ultimately lead to reduction in margins. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition. As on March 31, 2018, we have inventory level of Rs. 5,720.63 Lakhs of finished goods.

31. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business operations.*

Our insurance coverage is likely to cover all normal risks associated with the operation of our business but there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Based on the audited consolidated financial statements for the financial year ended March 31, 2018, our assets are Rs. 19,532.05 Lakhs including fixed assets of 12,131.40 lakhs and stock of 7,400.65 Lakhs and insurance cover against it is Rs. 29,254.97 Lakhs (Rs. 14267.29 Lakhs Insurance cover being 118% against fixed assets and that of Rs. 14987.68 Lakhs being 202% against Stock) including insurance against fire and burglary etc. In addition we also maintain insurance for Marine risk, public liability and others.. The total sum insured obtained by our Company on various Risk as on September 30, 2018 is Rs. 119032.61Lakhs to the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Based on the unaudited consolidated financial statements for the period ended September 30, 2018, our assets are Rs. 20,787.09 Lakhs including fixed assets of 12,261.49 lakhs and stock of 8,525.80 Lakhs and insurance cover against it is Rs. 31,505.30 Lakhs (Rs. 16,617.63 Lakhs Insurance cover being 136% against fixed assets and that of Rs. 14,487.67 Lakhs being 175% against Stock) including insurance against fire and burglary etc. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.. For the status of Insurance Coverage as on September 30, 2018, please refer to details given under the Chapter of "Our Business" beginning from Page 65 with Insurance Data on Page 68.

32. *We face the risk of potential liabilities from lawsuits or claims by customers.*

We face the risk of legal proceedings and claims being brought against us by our customers for any defective product sold or any deficiency in our services to them. However, in last five financial years we have not faced legal proceedings or claims against us from our consumers on account of abovementioned matters.

33. *Our Company requires a number of approvals, licenses, registrations and permits in the ordinary course of our business (es) and the failure to obtain or renew them in a timely manner may adversely affect its operations.*

We require a number of approvals, licenses, registrations and permits for our business(s). Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. There are certain registrations / permits / licenses that have been applied for / not been obtained by our Company for the existing plants/depots. Our factory in Howrah is not operational and Nashik plant is partly operational. Some licenses and approval related to these factories have expired or may expire in near future. We will renew/take fresh licenses and approvals, as applicable with respect to both the factories before recommencement of the operations. For details, please refer to section titled "Government and Other Approvals" on page 217 of the Letter of Offer. Furthermore, the government approvals and licenses are subject to various conditions. If we fail to comply, or a regulator claims that our Company has not complied with these conditions, our business, financial position and operations would be materially adversely affected.

34. *Inability to obtain adequate financing to meet our Company's liquidity and capital resource requirements may have an adverse effect on the proposed expansion activities of our Company and business operations.*

Our Company may require additional funds for the financing of our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of , among other things, unforeseen delays or cost overruns in producing our products, changes in business plan due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional funds either as equity or debt.

Our inability to obtain such financing could impair our business, results of operations, financial condition or prospects. Such inability could result from, among other things, our Company's current or prospective financial condition or results of operations or from its inability for any reason (including reasons applicable to Indian companies generally) to issue securities in the capital markets. There can be no assurance that finance from external sources such as bank finance will be available at the times required or in the amounts necessary, to meet our requirements.

35. *We may be subject to restrictive covenants, including restriction on raising of further capital or to pay dividend, under term loans and working capital facilities provided to us by our lender(s).*

We have availed of several loans and financial facilities from various banks. In respect of various agreements entered into by our Company with our Lenders and sanction letters issued by our Lenders to us, we are bound by certain restrictive covenants regarding capital structure and other general restrictive covenants. The restrictive covenants as imposed by the lenders on our Company are as under:

"Our Company shall not with prior approval of the Bank in writing avail any loan (secured or unsecured) from any bank /financial institution / otherwise, undertake any guarantee obligation on behalf of any other borrower, grant loan to Promoters / associates and other companies, diversify / change the line of business, change the Ownership / Management / Capital structure, dilute shareholding of the Promoters, issue further capital either by equity or debt, distribute profits / pay dividend, formulate any scheme of re-structuring or amalgamation and withdrawal of money by the Promoters, Directors and their friends and relatives."

For details of the loans availed, please refer to section titled "Financial Indebtedness" on page 180 of this Letter of Offer. In compliance with such restrictive covenants, we have received consent/NOC from our consortium bankers / lenders for this Rights issue.

36. *Some of our promoters, directors and individuals forming part of promoter group are associated with the companies which are appearing in the list of Non Suit filed accounts – Defaulters Rs. 1 Crore and above for quarter ended June 30, 2018.*

Names of one of our promoters, Mr. Ratan Jindal, our directors, Mr. Gautam Kanjilal and Mr. Ashok Kumar Gupta alongwith two individuals forming part of promoter group, Mr. Naveen Jindal and Ms. Deepika Jindal, are appearing as Directors of the companies which are appearing in the list of Non Suit filed accounts – Defaulters Rs. 1 Crore and above for quarter ended June 30, 2018 viz. Jindal Stainless Limited (Mr. Gautam Kanjilal, Mr. Ratan Jindal and Mr. Naveen Jindal), Jindal Stainless (Hisar) Limited (Mr. Ratan Jindal, Ms. Deepika Jindal and Mr. Ashok Kumar Gupta), Jindal Steel and Power Limited (Mr. Naveen Jindal and Mr. Ratan Jindal) and Jindal Coke Limited (Mr. Ratan Jindal and Mr. Gautam Kanjilal). All of these companies and their respective bankers have certified that their accounts with Banks are presently regular and there are no irregularities.

37. *We operate in a competitive market and any increase in competition may adversely affect our business and financial condition.*

We face competition from existing paint manufacturers, both organized and unorganized, including potential entrants to the industry that may adversely affect our competitive position and our profitability. A critical challenge in the paint industry is the competition from unorganized and small players. We expect competition could increase with new entrants coming into the industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources. The large players having higher industry share includes Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited and Akzo Nobel Limited.

Further, some of our competitors may also approach the market using new business models, such as e-commerce based retailing, which may be preferred by certain of our customers. Also, introduction of new improved products or brand perception and our inability to match our offerings with such improved products change may in turn affect the perception and brand equity of our products. As a result of such competition, we may have to price our products at levels that reduce our margins, increase our capital expenditure in order to differentiate ourselves from other players and increase our advertising and distribution expenditures in order to compete with such competitors, which may materially and adversely affect our business, results of operations and financial condition.

38. *Our corporate reputation could be adversely affected if we fails to meet high safety, quality, social, environmental and ethical standards.*

We believe that we have a good corporate reputation. If any part of our operations fail to meet high safety, quality, social, environmental and ethical standards, our corporate reputation may be adversely affected. This may lead to the rejection of Shalimar paints as one of the preferred paints provider by customers, devaluation of the Shalimar brand and diversion of management time into rebuilding and restoring its reputation which could have a material adverse effect on our business, financial condition, results of operations and prospects.

39. *Some of the shareholders, domestic or overseas, whose addresses are not updated in our Company records may not receive the Letter of Offer and CAF.*

Our Company will dispatch the Letter of Offer and CAF (the “**Offering Materials**”) to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In terms of the provisions of the Companies Act, 2013 our Company will serve documents at the addresses, including email addresses which have been provided by the members. Though our Company has requested all the Shareholders to provide their updated addresses for the purpose of distribution of Offering Materials, still despite all efforts, some Eligible Equity Shareholders may neither receive the original CAF nor may be in a position to obtain the duplicate CAF. Such Shareholders are being advised that they may make an Application to subscribe to the Issue on plain paper.

However, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the provisions of the Companies Act, 2013 and may subject our Company to some action.

40. Any future equity offerings or issue of options under employee stock option scheme may lead to dilution of investor's shareholding in our Company.

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent we decide to grant options to be issued under an employee stock option scheme.

41. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our Company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

42. Our Subsidiaries may not pay dividends on shares that we hold in them or may not contribute adequate revenue on a consolidated basis, year on year. Consequently, our Company may not receive any return on investments in our Subsidiaries.

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their respective financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. Further, our Subsidiaries may not contribute adequate revenue on a consolidated basis, year on year, owing to various internal and external factors, which may consequently affect our results of operations and financial condition.

43. Our revenues and expenses vary significantly from period to period, which could cause our share price to decline.

Our revenues and profit may vary significantly in the future. Therefore, we believe that period-to-period comparisons of our results of operations may not be necessarily meaningful and may not be relied upon as an indication of our future performance. It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could cause the share price of our Equity Shares to decline significantly.

Some of the factors which may affect the fluctuation of our operating results include:

- the functioning of our plants;
- the ability to modify and enhance our suite of paint offerings based on customer needs and evolving technologies;
- changes in our pricing policies or those of our competitors;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- increase or decrease in cost of inputs

As per audited standalone financial statements for the Fiscal 2018 and 2017, our Company has generated total income of Rs. 27,863.96 lakhs and Rs. 39,631.13 lakhs respectively and net profit (loss) after exceptional items and tax of Rs. (4,541.64) lakhs and Rs. (961.24) lakhs respectively. Further, as per the Limited Review Report of auditors for the six months period ended September 30, 2018 for FY 2018-19 our Company has generated total income of Rs. 12,374 Lakhs and net profit (loss) after exceptional items and tax of Rs. (2,478) Lakhs on standalone basis.

EXTERNAL RISK FACTORS

44. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

We are / will be subject to various regulations and policies including manufacturing, Excise, Customs, GST, Income Tax, Labour acts, etc. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

45. A slowdown in economic growth in the markets in which we operate could cause our business to suffer.

Our performance and growth are dependent on the health of the economy of the markets in which we operate. The economy could be adversely affected by various factors such as political or regulatory action, social/civil disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance and the price of our Equity Shares.

46. Extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

47. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, at the interest rates and other commercial terms forwarded to us. This could impact our profitability and ability to obtain financing for capital expenditures and the price of our Equity Shares.

48. Regional or International hostilities, terrorist attack or other acts of violence of war may have a significant adverse impact on international and Indian financial markets. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our Company's equity shares.

Regional or International hostilities and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any war with our neighbors might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

49. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by the economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to

developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on our business, financial results and the trading price of the Equity Shares.

50. There can be no assurance that the equity shares will be allocated and credited to investor's demat account within specified time, or that the trading in the equity shares will commence in a timely manner which may subject the investors to market risk.

We shall ensure that equity shares are allotted and/or application moneys are refunded within fifteen days from the date of closure of the issue. If the equity shares are not allotted and/or application money are not refunded within fifteen days, we undertake to pay interest at a rate and within such time as per applicable laws.

Investors can start trading only after receipt of listing and trading approvals in respect of these Equity Shares which may require additional time which may subject them to market risk.

51. Investors may be subject to Indian taxes arising out of capital gains on the sale of our equity shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. As provided in the budget for financial year 2018-2019, any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax @10% in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which our equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our equity shares. The above statements are based on the current tax laws

PROMINENT NOTES:

1. Issue of 3,37,47,518 equity shares of face value of ₹ 2 each (“equity shares”) of Shalimar Paints Limited (“Shalimar” or the “Company” or the “Issuer”) for cash at a price of ₹64.50(including share premium of ₹62.50) per equity share (“issue price”) for an aggregate amount ₹ 21,767.15 lakhs to the Eligible Equity Shareholders on rights basis in the ratio of 3 Equity Share for every 2 Equity Shares held by the Eligible Equity Shareholders on the Record Date, i.e. November 09, 2018(the “Issue”). The Issue Price is 32.25 times the face value of the equity shares. For further details, refer to “Offering Information” on page 227 of the Letter of Offer.
2. The Net Worth of our Company and Book Value per Equity Share as per audited standalone and consolidated audited financial statements as on March 31, 2018 is as under:

Particulars	Consolidated	Standalone
Net worth (in ₹ lakhs)	13,804.16	12,106.57
Book Value per equity share (in ₹)	72.86	63.90

Net worth has been arrived after fair valuation of Property, plants and equipments as per IND AS as given in audited financial statement for FY ending March 2018. However, in terms of Indian GAAP which was being followed by us till FY 2016-17, our net worth as on 31 March, 2018 would arrive at Rs. 1,280.43 lakhs on consolidated basis and Rs. 1,316.48 lakhs on standalone basis. Similarly, the book value would have been Rs. 6.76 per equity share on consolidated basis and Rs. 6.95 per equity share on Standalone basis.

3. The average cost of acquisition of equity shares by our Promoter Mr. Ratan Jindal is Rs. 80.13 per equity share of face value Rs. 2/-. (As regard of cost of acquisition of shares by the other promoter, M/s Hind Strategic Investments, the details of its capital formation is available from FY 1992-1993 only. M/s Hind Strategic Investments acquired 5,90,157 equity shares of face value Rs. 10/- at the rate of Rs. 60 per share on conversion of partly converted debentures allotted in the Rights Issue of November –December 1993. Therefore the average cost of acquisition since FY 1992-93 is Rs. 12/- per share of face value Rs. 2/-. For details please refer to chapter ‘Capital Structure’ on page 41 of the Letter of Offer.
4. Our Promoters Mr. Ratan Jindal and M/s. Hind Strategic Investments have not acquired or sold any Equity Share of our Company within last one year preceding the date of the Letter of Offer except that Mr. Ratan Jindal has been allotted 35,718 shares in the Rights Issue which closed on April 19, 2018. For details please refer to chapter ‘Capital Structure’ on page 41 of the Letter of Offer.
5. The summary of complaints received by our Company and resolved / pending for the period from April 01, 2018 to October 31, 2018 are as follows:

Particulars	Complaints Received	Complaints Resolved	Complaints Pending
April 01, 2018 – June 30, 2018	Nil	Nil	Nil
July 01, 2018 – September 30, 2018	2	2	Nil
October 01, 2018 – October 31, 2018	Nil	Nil	Nil

6. Our Promoter Group, Directors and their relatives and Directors of our corporate Promoter have not financed the purchase, by any other person, of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Letter of Offer with the SEBI.
7. Trading in the Equity Shares of our Company for all investors shall be in dematerialized form only. For further details, see the chapter titled “Offering Information” on page 227 of the Letter of Offer.

8. There have been no changes to the name of our Company in the last three years prior to the date of filing of this Letter of Offer.
9. Our Company and the Lead Manager will update the offer document in accordance with the Companies Act and the SEBI ICDR Regulations and our Company and the Lead Manager will keep the public informed of any material changes relating to our Company till the listing of our shares on the Stock Exchange. No selective or additional information would be made available to a section of investors in any manner whatsoever.
10. Other than as disclosed under Related Party transactions under the chapter "*Financial Statements*" starting from page 79 there is no business interest or any other interest of related party as per IND AS in our Company.
11. For details of transactions between our Company and our Group Companies during the last Financial Year including the nature and cumulative value of the transactions, please refer to information given on page 177 after chapter on "*Financial Statements*".
12. Investors may contact the Lead Manager, the Registrar to the Issue or the Compliance Officer for any complaints, clarifications, etc. pertaining to the Issue.
13. We came out with Rights issue of 35,52,370 equity shares of face value of Rs. 2 each at a price of Rs. 140 (including share premium of Rs. 138) per equity share for an aggregate amount of Rs. 4,973.32 lakhs which was open for subscription from March 31, 2018 to April 19, 2018. The proceeds from Rights Issue have been utilized for the same purpose for it was raised.

Out of issue proceeds of Rs. 4,973.32 Lakhs, an amount of Rs. 4,336.33 Lakhs (including Rs. 500 Lakhs for shares allotted against unsecured loans to M/S JSL Limited utilized for working capital in terms of the Letter of Offer dated 22nd March, 2018) has been utilized till 30th September, 2018 for working Capital requirement including investments in current assets, repayment of working capital financing, maintaining margins in the form of Fixed Deposits with Banks. Further, Rs. 636.99 Lakhs has been utilized for other general purposes including 230.93 Lakhs for Capex, 239.29 Lakhs for Long term Loan payments, 43.99 Lakhs for issue related expenses and 122.78 Lakhs for other payments relating to marketing expenses.. The same has been certified by Mr. Sachin Nandwani Partner (Membership No. – 501260) of M/S S.K. Badjatya & Co. , 307, D.R Chambers, 12/56, D.B Gupta Road, Karol Bagh, New Delhi – 110 005 an independent CA firm vide certificate dated October 26, 2018.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our audited financial statements as on and for financial year ended March 31, 2018 prepared in accordance with IND AS and the Companies Act and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the chapter “Financial Statements” on page 79 of the Letter of Offer.

Standalone Summary Statement of Assets and Liabilities for Two Financial Years

(Rs. In Lakhs)

	Particulars	As at March 31, 2018	As at March 31, 2017
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipment	22,061.10	19,260.48
b	Capital work-in-progress	66.70	1,373.99
c	Intangible assets	175.05	185.37
d	Financial Assets		
	i) Investments	73.10	68.69
	ii) Loans	904.34	878.93
	iii) Other financial assets	41.77	22.14
e	Deferred tax assets (net)	290.99	-
f	Other non-current assets	21.10	760.75
2	Current assets		
a	Inventories	7,400.65	9,255.34
b	Financial Assets		
	i) Investments	-	291.89
	ii) Trade receivables	10,583.86	12,469.95
	iii) Cash and cash equivalents	1,551.91	808.22
	iv) Bank balances other than (iii) above	357.00	364.63
	v) Other financial assets	2,409.64	3,614.91
c	Current Tax Assets (Net)	277.78	312.43
d	Other current assets	1,499.22	1,792.11
	Total Assets	47,714.21	51,459.83
II	EQUITY AND LIABILITIES		
	Equity		
a	Equity Share Capital	378.93	378.93
b	Other Equity	11,727.64	16,292.74
	LIABILITIES`		
1	Non-current liabilities		
a	Financial Liabilities		
	i) Borrowings	2,494.44	2,367.07
	ii) Trade payables		
	iii) Other financial liabilities	22.73	27.60
b	Provisions	670.62	674.83

c	Deferred tax liabilities (Net)	-	1,880.02
d	Other non-current liabilities		
2	Current liabilities		
a	Financial Liabilities		
	i) Borrowings	15,003.11	13,712.77
	ii) Trade payables	13,951.75	12,904.98
	iii) Other financial liabilities	1,714.55	2,040.27
b	Other current liabilities	1,558.77	1,051.68
c	Provisions	191.67	128.94
	Total Equity and Liabilities	47,714.21	51,459.83

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In lakhs)

	Particulars	For The Year Ended March 31,	
		2018	2017
I.	Revenue from Operations	27,773.78	39,411.28
II.	Other Income	90.18	219.85
III.	Total Revenue (I + II)	27,863.96	39,631.13
IV.	Expenses :		
	Cost of materials consumed	13,874.41	19,056.67
	Purchases of Stock-in-trade	5,161.59	4,204.23
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	1,583.03	1,098.58
	Excise Duty	655.12	4,433.06
	Employee benefits expense	3,940.86	3,532.28
	Finance Costs	2,591.77	2,257.13
	Depreciation and amortization expense	786.37	812.77
	Other expense	5,977.86	5,733.67
	Total Expenses	34,571.01	41,128.39
V.	Profit/(Loss) before exceptional items and tax (III-IV)	(6,707.05)	(1,497.26)
VI.	Exceptional Items	-	-
VII.	Profit/(Loss) before tax (V- VI)	(6,707.05)	(1,497.26)
VIII.	Tax expense:		
	(1) Current Tax	-	-
	(2) Deferred Tax (Assets)/liabilities	(2,165.41)	(536.02)
	Total Tax expenses	(2,165.41)	(536.02)
IX	Profit/(Loss) for the Year (VII- VIII)	(4,541.64)	(961.24)
X	Other Comprehensive Income		
	(I) Items that will not be classified to profit or loss	(18.13)	44.87
	(ii) Income tax effects on above	(5.60)	13.86
	Total Other Comprehensive Income/(Loss) for the year (i)-(ii)	(12.53)	31.01
XI.	Total Comprehensive Income/(loss) for the year (IX+X)	(4,554.17)	(930.23)
XII.	Earnings per equity share of Rs 2/- each		
	1) Basic (in rupees)	-23.97	-5.07
	2) Diluted (in rupees)	-23.97	-5.07

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lakhs)

PARTICULARS	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(6,707.05)	(1,497.26)
Adjustments for:		
Depreciation, amortization and impairment expenses	786.37	812.77
Net (Gain) / Loss on Sale of Property, Plant & Equipment	3.68	76.66
Net (Gain) / Loss on Sale/ Fair valuation of Investment	(7.84)	(30.01)
Bad debts/Provision for doubtful Debts Written Back	30.59	(40.00)
Employee stock option expenses	(7.20)	13.08
Finance Costs	2,591.77	2,257.13
Interest Income	(67.42)	(28.22)
Operating Profit/(loss) before Working Capital changes	(3,377.10)	1,564.15
Adjustments for:		
Trade Receivables & Other receivable	3,333.13	(58.38)
Inventories	1,854.68	1,836.79
Trade & other Payables	1,707.54	78.61
Cash generated (used) in /from Operations before tax	3,518.25	3,421.17
Direct Taxes (paid)/refund (net)	34.65	(5.49)
Net cash flow (used) in/ from Operating Activities	3,552.90	3,415.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(1,446.76)	(1,354.20)
Proceeds from sale of Property, Plant & Equipment	74.03	345.93
Acquisition of Investments		(1,200.00)
Sale of Investment	295.32	953.20
Interest/other income Received	58.83	28.67
Movement in Margin money/Fixed deposits	(14.92)	(352.34)
Net cash flow (used) in/ from Investing Activities	(1,033.50)	(1,578.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings		
Proceeds from /(repayment) of Borrowings (net)	833.20	348.09
Finance Costs	(2,608.91)	(2,236.79)
Net cash (used) in/ from Financing Activities	(1,775.71)	(1,888.70)
Net cash (used) in/ from Operating, Investing & Financing Activities	743.69	(51.76)
Opening balance of Cash and Cash equivalent	808.22	859.98
Closing balance of Cash & Cash equivalent	1,551.91	808.22
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following		
i) Cash Balance on Hand	3.17	4.90
ii) Balance with Banks :		

-In Current Accounts	1,522.28	186.29
-Cheques/draft in hand	19.80	615.30
-Bank deposits with maturity of less than 3 months	6.66	1.73
Total	1,551.91	808.22

Consolidated Summary Statement of Assets and Liabilities for Two Financial Years

(Rs. Lakhs)

	Particulars	As at 31-Mar-18	As at 31-Mar-17
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipment	24,785.75	21,986.72
b	Capital work-in-progress	66.70	1,373.99
c	Intangible assets	175.05	185.37
d	Financial Assets		
	i) Investments	0.23	0.23
	ii) Loans	204.14	206.11
	iii) Other financial assets	41.77	22.14
e	Deferred tax assets (net)	35.69	-
f	Other non-current assets	21.10	762.84
2	Current assets		
a	Inventories	7,400.65	9,255.34
b	Financial Assets		
	i) Investments	-	291.89
	ii) Trade receivables	10,583.86	12,469.95
	iii) Cash and cash equivalents	1,557.68	814.04
	iv) Bank balances other than (iii) above	358.00	365.63
	v) Other financial assets	2,410.64	3,615.91
c	Current Tax Assets (Net)	277.78	312.43
d	Other current assets	1,503.14	1,792.14
	Total Assets	49,422.18	53,454.73
II	EQUITY AND LIABILITIES		
	Equity		
a	Equity Share Capital	378.93	378.93
b	Other Equity	13,425.23	18,004.19
	LIABILITIES		
	1 Non-current liabilities		
a	Financial Liabilities		
	i) Borrowings	2,494.44	2,367.07
	ii) Trade payables		
	iii) Other financial liabilities	22.73	27.60
b	Provisions	670.62	674.83
c	Deferred tax liabilities (Net)		2,151.35
d	Other non-current liabilities		
2	Current liabilities		
a	Financial Liabilities		
	i) Borrowings	15,003.11	13,712.77
	ii) Trade payables	13,951.75	12,907.19
	iii) Other financial liabilities	1,722.79	2,048.50
b	Other current liabilities	1,560.91	1,053.36
c	Provisions	191.67	128.94
	Total Equity and Liabilities	49,422.18	53,454.73

Consolidated Summary Statement of Profit and Loss for Two Financial Years

(Rs in Lakhs)

	Particulars	Year ended	Year ended
		March 31, 2018	March 31, 2017
I	Revenue From Operations	27,773.78	39,411.28
II	Other Income	64.45	198.11
III	Total Revenue (I+II)	27,838.23	39,609.39
IV	EXPENSES		
	Cost of materials consumed	13,874.41	19,056.67
	Purchases of Stock-in-Trade	5,161.59	4,204.23
	Changes in inventories of finished goods, Stock-in –Trade and work-in-progress	1,583.03	1,098.58
	Excise duty	655.12	4,433.06
	Employee Benefit Expenses	3,940.86	3,532.28
	Finance costs	2,591.78	2,257.22
	Depreciation and amortization expense	787.96	814.36
	Other expenses	5,980.43	5,733.95
	Total expenses	34,575.18	41,130.35
V	Profit/(loss) before exceptional items and tax (III-IV)	(6,736.95)	(1,520.96)
VI	Exceptional items	-	-
VII	Profit/(loss) before tax (V-VI)	(6,736.95)	(1,520.96)
VIII	Tax expense		
	Current Tax	-	-
	Deferred tax	(2,181.45)	(551.62)
IX	Profit/(loss) for the period (VII-VIII)	(4,555.50)	(969.34)
X	Other Comprehensive Income		
	(i) Items that will not be reclassified to profit or loss	(18.13)	44.87
	(ii) Income tax effect on above	(5.60)	13.86
	Total Other Comprehensive Income/(Loss) for the year (i)-(ii)	(12.53)	31.01
XI	Total Comprehensive Income/(loss) for the year (IX+X)	(4,568.03)	(938.33)
XII	Earnings per Shares of Rs. 2/- each		
	1) Basic (in Rs)	(24.04)	(5.12)
	2) Diluted (in Rs)	(24.04)	(5.12)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
(Rs. Lakhs)

PARTICULARS	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(6,736.95)	(1,520.96)
<i>Adjustments for:</i>		
Depreciation, amortization and impairment expenses	787.96	814.36
Net (Gain) / Loss on Sale of Property, Plant & Equipment	3.68	76.66
Net (Gain) / Loss on Sale/ Fair valuation of Investment	(3.44)	(26.04)
Bad debts/Provision for doubtful Debts Written Back	30.59	(40.00)
Employee stock option expenses	(7.20)	13.08
Finance Costs	2,591.78	2,257.22
Interest Income	(46.08)	(10.45)
Operating Profit/(loss) before Working Capital changes	(3,379.66)	1,563.87
<i>Adjustments for:</i>		
Trade Receivables & Other receivable	3,356.62	(6.88)
Inventories	1,854.68	1,836.79
Trade & other Payables	1,705.87	47.91
Cash generated (used) in /from Operations before tax	3,537.51	3,441.69
Direct Taxes (paid)/refund (net)	34.65	(5.49)
Net cash flow (used) in/ from Operating Activities	3,572.16	3,436.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(1,444.74)	(1,356.59)
Proceeds from sale of Property, Plant & Equipment	74.03	345.93
Acquisition of Investments		(1,200.00)
Sale of Investment	295.33	953.20
Interest/other income Received	37.49	10.90
Movement in Margin money/Fixed deposits	(14.92)	(353.34)
Net cash flow (used) in/ from Investing Activities	(1,052.81)	(1,599.90)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from /(repayment) of Borrowings (net)	833.20	348.09
Finance Costs	(2,608.91)	(2,236.88)
Net cash (used) in/ from Financing Activities	(1,775.71)	(1,888.79)
Net cash (used) in/ from Operating, Investing & Financing Activities	743.64	(52.49)
Opening balance of Cash and Cash equivalent	814.04	866.53
Closing balance of Cash & Cash equivalent	1,557.68	814.04
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following		
i) Cash Balance on Hand	3.17	4.90
ii) Balance with Banks :		
-In Current Accounts	1,528.05	192.11
-Cheques/draft in hand	19.80	615.30
-Bank deposits with maturity of less than 3 months	6.66	1.73
Total	1,557.68	814.04

THE ISSUE

The details of this Issue are set out below:

Equity Shares proposed to be issued by our Company	3,37,47,518 Equity Shares
Rights Entitlement	3 Equity Share for every 2 Equity Shares held on the Record Date
Record Date	November 09, 2018
Issue Price per Equity Share	₹64.50 The Issue Price has been arrived at in consultation between the Issuer and the Lead Manager
Issue Size	₹ 21,767.15 Lakhs
Equity Shares outstanding prior to the Issue (Paid up Equity Share Capital)	2,24,98,345 Equity Shares of ₹ 2/- each
Equity Shares outstanding after the Issue, assuming full subscription (Paid up Equity Share Capital)	5,62,45,863 Equity Shares of ₹ 2/- each
Terms of payment	100 percent of the issue price
Objects of the Issue	Please refer to section “Objects of the Issue” on page 55 of the Letter of Offer

For more information on the payment terms, refer to the Chapter titled “Offering Information” on page 227 of the Letter of Offer.

GENERAL INFORMATION

Pursuant to a resolution passed under Section 62(1)(a) of the Companies Act, 2013 by our Board in its meeting held on **November 17, 2018**, it has been decided to make the following Offer to the Eligible Equity Shareholders, with a right to renounce:

ISSUE OF 3,37,47,518 EQUITY SHARES OF FACE VALUE OF ₹2 EACH (“EQUITY SHARES”) OF SHALIMAR PAINTS LIMITED (“SHALIMAR” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹64.50(INCLUDING SHARE PREMIUM OF ₹62.50) PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT OF ₹ 21,767.15 LAKHS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 3EQUITY SHARE FOR EVERY 2EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. NOVEMBER 09, 2018(THE “ISSUE”). THE ISSUE PRICE IS 32.25 TIMES THE FACE VALUE OF THE EQUITY SHARES.

FOR FURTHER DETAILS, PLEASE REFER TO “OFFERING INFORMATION” ON PAGE 227 OF THE LETTER OFFER

Registered Office	Corporate Office
Stainless Centre, 4 th Floor, Plot No. 50, Sector 32, Gurugram ,Haryana -122 001	First Floor, Plot No. 28, Sector 32, Gurugram, Haryana – 122 001

Corporate Identity Number: L24222HR1902PLC065611

Security Codes for the Equity Shares: BSE: 509874, NSE: SHALPAINTS

Address of the Registrar of Companies

4th Floor, IFCI Tower,

61, Nehru Place,

New Delhi – 110019

Tel. No.: +91 11 26235707, 26235708, 26235709

Fax No.: +91 11 26235702

E-mail: roc.delhi@mca.gov.in

Website: www.mca.gov.in

Board of Directors of our Company

Sr. No.	Name & Designation	Age (in years)	DIN	Status
1.	Mr. Gautam Kanjilal	69	03034033	Independent Director & Chairman
2.	Mr. Surender Kumar	53	00510137	Executive Director
3.	Ms. Pushpa Chowdhary	46	06877982	Non- Executive Director
4.	Mr. Alok Perti	66	00475747	Independent Director
5.	Mr. Ashok Kumar Gupta	62	01722395	Non – Executive Director & Vice Chairman

For details of our Directors, refer to section titled “Our Management” on page 71 of the Letter of Offer.

Company Secretary & Compliance Officer

Mr. Nitin Gupta

Shalimar Paints Limited

Stainless Centre, 4th Floor,

Plot No. 50, Sector 32,

Gurugram, Haryana -122001

Tel. No.: + 91 124 4616600

Fax No.: + 91 124 4616659

Lead Manager to the Issue**SPA Capital Advisors Limited**

SEBI Regn. No.: INM 000010825

25, C – Block, Community Centre

Janak Puri, New Delhi - 110 058

Tel. No.: +91 11 2551 7371, 4567 5500

Fax No.: +91 11 2553 2644

E-mail: Investor Grievance: grievances.mb@spagroupindia.com

Website: www.spacapital.com

Contact Person: Sri Krishna Tapariya/ Manisha Sharma

Legal Advisor to the Issue

MV Kini, Law Firm

Kini House, 6/39 Jangpura-B,

New Delhi-110014

Tel: +91-11-24371038/39/40

Fax: +91-11-24379484

Email: raj@mvkini.com

Contact Person: Ms. Rajrani Bhalla

Auditors of our Company

AK Dubey & Co, Chartered Accountants

19A2, Fjord Tower,

1925, Chakaria, Hiland Park,

Kolkata – 700 094

Tel.: +91 33 40716096, 24626148

E-mail: akdubeyco@gmail.com

Contact Person: CA Arun Kumar Dubey

Firm Registration No.: 329518E

Peer Review Certificate: 009982 dated May 18, 2017

Registrar to the Issue**Beetal Financial & Computer Services Pvt Ltd**

SEBI Regn. No.: INR000000262

Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062

Tel.: +91 011 2996 1281-83

Fax: +91 011 2996 1284

E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com

Investor Grievance e-mail id: investor@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Mr. S P Gupta

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For details on the ASBA process, see “*Offering Information*” on page 227.

Experts

Our Company has received consent from its Statutory Auditors, A.K DUBEY & CO. through its letter dated May 30, 2018 to include their names as required under Section 26(1)(v) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Limited Review Financial Information, the Audited Financial Statements and Statement of Tax Benefits, respectively, and such consents have not been withdrawn as of the date of this Letter of Offer.

Banker to the Issue & Refund Banker

Our Company has appointed State Bank of India, Capital Market Branch, Mumbai as Banker to the Issue and Refund Banker. The details of the Banker to the Issue are as given below:

State Bank of India,

Capital Market Branch,
3rd Floor,
Mumbai Main Branch Building,
Horniman Circle, Fort,
Mumbai-400 023
Tel.: +91 22 2271 9102 / 9112 / 9113
Fax: +91 22 2271 9125 / 2271 9126
E-mail: sbi.11777@sbi.co.in

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

Banker to our Company**State Bank of India**

Industrial Finance Branch, Andheri 102,
Natraj, 194, Sir M.V.Road,
W. E. Highway- Metro Junction,
Andheri (E), Mumbai-400 069
Tel.: +91 11 26819700, 26823370, 26821310
Fax: +91 11 26831648, 26833001
E-mail: sbi.04732@sbi.co.in

Punjab National Bank

Brabourne Road Branch
18A, Brabourne Road
Kolkata - 700 001
Tel.: +91 033 22343783
Fax: +91 033 22343783
E-mail: bo0100@pnb.co.in

Corporation Bank

Canning Street Branch,
Rampuria Market, 2nd Floor,
88, BRB Basu Marg, Kolkata-700 001
Tel.: +91 033 22367316
Fax: +91 033 22127314
E-mail: cb0151@corpbank.co.in

HDFC Bank Limited

A C Market Building, 3rd floor,
1, Shakespeare Sarani, Kolkata- 700 071
Tel.: +91 11 30261876
Fax: +91 120 4894200
E-mail: Rahul.Mittal3@hdfcbank.com

IndusInd Bank Limited

IndusInd Bank Ltd, 11th floor, Tower I,
One Indiabulls Centre, 841, Senapati Bapat Marg,

Elphinstone Road, Mumbai 400 013
Tel.: +91 022 71431999, 71432266
Fax: +91 020 26343241
E-mail: rashi.arora@indusind.com

Credit Rating

This being a right issue of equity shares, no credit rating is required.

Trustees

This being a Rights Issue of Equity Shares, appointment of Trustees is not required.

Appraising Agency

The issue has not been appraised.

Monitoring Agency

Our Company has appointed State Bank of India as the monitoring agency to monitor the utilization of the net proceeds in terms of Regulation 16 of the SEBI ICDR regulations.

State Bank of India

Industrial Finance Branch, Andheri,
102, Natraj, 194, Sir M.V.Road,
W. E. Highway- Metro Junction,
Andheri (E), Mumbai-400 069
Tel: 022 26819792/738
Fax: 022 26833001/26831648
Contact Person: .Ms. Varsha Vinayak Bhat
E-mail: sbi.04732@sbi.co.in, rmamt4.04732@sbi.co.in
so1amt4.04732@sbi.co.in
Website: www.sbi.co.in.

Underwriting / Standby agreement

Our Company has not entered into any underwriting / standby agreement.

Issue Schedule

Issue Opens on	December 03, 2018
Last date for requests for Split Application Forms	December 10, 2018
Issue Closes on	December 17, 2018
Date of Allotment (on or about)	December 27, 2018
Date of Credit of Shares in Demat Account (on or about)	December 29, 2018
Date of listing (on or about)	December 31, 2018

SPA Capital Advisors Ltd. is the sole Lead manager to the Issue responsible for all pre issue and post issue activities.

Minimum Subscription

If our Company does not receive the minimum subscription of ninety percent of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Principal Terms of Loans and Assets charged as security

For details in relation to the principal terms of loans and assets charged as security in relation to our Company, please see the section entitled "Financial Statements" and "Financial Indebtedness" on page 143 and 180 respectively.

CAPITAL STRUCTURE

Our capital structure and related information as on date of the Letter of Offer is set forth below.

(Rs. In Lakhs unless otherwise stated)

	Share Capital	Aggregate value at face value	Aggregate Value at Issue Price
A.	Authorised Share Capital		
	10,00,00,000 Equity Shares of Rs. 2/- each	2,000.00**	
B.	Issued, Subscribed and Paid Up Share Capital		
	2,24,98,345 Equity Shares of Rs. 2/- each	449.97*	
C.	Present Issue in terms of the Letter of Offer **		
	3,37,47,518 Equity Shares at an Issue Price of ₹ 64.50 per Equity Share	674.95	21767.15
D.	Subscribed and Paid-up capital after the Issue, assuming full subscription		
	5,62,45,863 Equity Shares of ₹2 each fully paid-up	1,124.92*	
E.	Share Premium Account:		
	Before the Issue	5,863.37	
	After the Issue	26,955.57	

*Includes 0.01 Lakhs on account of Share forfeiture Account.

**The Board of Directors in its meeting held on May 23, 2018 has approved the present rights issue and increase in Authorised Share Capital of our Company from Rs. 8,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs. 2/- each to Rs. 20,00,00,000/- divided into 10,00,00,000 Equity Shares of Rs. 2/- each. Shareholders of our Company has approved the increase in authorised capital and the present Rights Issue by special resolution through postal ballot results of which were declared on 7th July, 2018.

Notes to the Capital Structure

1. Changes in Authorised Share Capital

The details of Changes in authorised share capital of our Company since incorporation is as follows:

(Rs. In Lakhs unless otherwise stated)

Date	Cumulative No. of Equity Shares	Face Value (₹)	Authorised Share Capital (in ₹)	Particulars
March 31, 1996	80,00,000	10/-	8,00,00,000	Capital increased from Rs. 5,00,00,000 to Rs. 8,00,00,000
October 26, 2012	4,00,00,000	2/-	8,00,00,000	Splitting of the equity shares from the face value of Rs. 10/- each to Face value of Rs. 2/- each.
July 07, 2018	10,00,00,000	2/-	20,00,00,000	Capital increased from Rs. 8,00,00,000 to Rs. 20,00,00,000

Our Company has records relating to capital formation from financial year 1995-1996 onwards.

Equity Share Capital History

(Rs. In Lakhs unless otherwise stated)

Date of Allotment	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Cumulative Paid up Capital (in ₹)	Nature of consideration	Nature of Allotment	Category of Allottees
March 31, 1996	37,85,620	37,85,620	10/-	-	3,78,56,200	-	*	Shareholders
-	-	-	-	-	3,78,56,735	Share forfeiture account of Rs. 535	-	
October 26, 2012	-	1,89,28,100	2/-	-	3,78,56,735	Increase in number of shares consequent upon splitting of equity share of face value of Rs.10/- each to face value of Rs. 2/- each as per resolution passed at EOGM dated October 26, 2012 by the shareholders.	Share Split from face value of Rs 10/- each to Rs. 2/- each.	Shareholders
July 3, 2015	14,000	1,89,42,100	2/-	43.80/-	3,78,84,735	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee Stock Option	Employee
July 3, 2015	750	1,89,42,850	2/-	46.97/-	3,78,86,235	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee Stock Option	Employee
November 18, 2015	500	1,89,43,350	2/-	43.80/-	3,78,87,235	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee Stock Option	Employee
February 01, 2016	2,625	1,89,45,975	2/-	55.61/-	3,78,92,485	Shares allotted pursuant to Employee Stock Option Scheme 2013.	Employee Stock Option	Employee
April 27, 2018	35,52,370	2,24,98,345	2/-	140/-	4,49,96,690	Shares Allotted pursuant to Rights Issue	Rights Issue	Shareholders as on Record date

*Our Company has records relating to capital formation from financial year 1995-1996 onwards.

2. Capital Build-up of Existing Shareholding of Promoters:

Mr. Ratan Jindal

Date of Allotment	Number of Shares	Cumulative No. of Equity Shares	Face Value	Issue /Purchase/ Sale price	Lock-in Period	Number and percentage of pledged shares	Nature of Allotment	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital (%)
09.09.1989	2,000	2,000	10/-	35/-	-	-	Acquired from market	*	[●]
In 1993	2,000	4,000	10/-	60/-	-	-	Right Shares on Conversion of Partially Convertible Debentures	*	[●]
17.02.2012	2,100	6,100	10/-	55/-	-	-	Acquired off market	0.14	[●]
26.10.2012	-	30,500	2/-	-	-	-	Increase in number of shares consequent upon splitting of equity share of face value of Rs. 10/- each to face value of Rs. 2/- each as per resolution passed at EOGM at 26.10.2012.	0.14	[●]
27.04.2018	35,718	66,218	2/-	140/-	-	-	Allotted pursuant to Rights Issue	0.29	[●]

Hind Strategic Investments

Date of Allotment	Number of Shares	Cumulative No. of Equity Shares	Face Value	Issue price/consideration	Lock-in Period	Number and percentage of pledged shares	Nature of Allotment	Percentage of the pre-Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital (%)
In 1993	5,90,157	11,80,314	10/-	60/-	-	-	Right Shares on Conversion of Partially Convertible Debentures	*	[●]
26.10.2012	-	59,01,570	2/-	-	-	-	Increase in number of shares consequent upon splitting of equity share of face value of Rs. 10/- each to face value of Rs. 2/- each as per resolution passed at EOGM at 26.10.2012	26.23	[●]

29.11.2012	(60,000)	58,41,570	2/-	130/-	-	-	Shares disposed off	25.96	[●]
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*M/s Hind Strategic Investments was holding 5,90,157 equity shares in 1993 before conversion of debentures into equity by rights issue. The details of capital formation of M/s Hind Strategic Investments is available from financial year 1992-1993.

3. Our shareholding pattern as on September 30, 2018 as filed with Stock Exchanges:

Table I: Summary statement holding of specified securities

Category	Category of shareholder	Number of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held(b)	No.	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	31	14193462	0	0	14193462	63.09	14193462	0	14193462	63.09	0	63.09	0	0.00	0	0.00	14193462
(B)	Public	14524	8304883	0	0	8304883	36.91	8304883	0	8304883	36.91	0	36.91	0	0.00	143244	1.72	7881325
(C)	Non Promoter – Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(D)	Shares underlying DR's	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(E)	Shares held by Employee trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Total		14555	22498345	0	0	22498345	100.00	22498345		22498345	100.00	0	0.00	0	0.00	143	0.64	22074787

Table II: Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders	PAN	No. of Share holder	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos .of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculate das per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming Full conversion Of convertible securities(as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares Pledged or otherwise encumbered		Number of equity Shares held in dematerialized form		
								No of Voting Rights					Total as a% of Total Voting rights	No.(a)	Asa % of total Shares held(b)	No.(a)		Asa % of total shares held (b)	
								Class X	Class Y	Total									
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII = IV+V+VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)		
I	Indian																		
a	Individuals/Hindu undivided Family		11	207511	0	0	207511	0.92	207511	0	207511	0.92	0	0.92	0	0.00	0	0.00	207511
	Naveen Jindal	AAAHJ3831J		14606	0	0	14606	0.06	14606	0	14606	0.06	0	0.06	0	0.00	0	0.00	14606
	R K Jindal & Sons HUF	AACHR8177F		12300	0	0	12300	0.05	12300	0	12300	0.05	0	0.05	0	0.00	0	0.0	12300
	P R Jindal HUF	AAEHP7501H		14606	0	0	14606	0.06	14606	0	14606	0.06	0	0.06	0	0.00	0	0.00	14606
	Sminu Jindal	AAGPJ1586N		12468	0	0	12468	0.06	12468	0	12468	0.06	0	0.06	0	0.00	0	0.00	12468
	Deepika Jindal	AAF PJ2847R		35625	0	0	35625	0.16	35625	0	35625	0.16	0	0.16	0	0.00	0	0.00	35625
	Sarita Devi Jain	AAE PJ1437E		20000	0	0	20000	0.09	20000	0	20000	0.09	0	0.09	0	0.00	0	0.00	20000
	Kusum Mittal	AADPM0837E		20000	0	0	20000	0.09	20000	0	20000	0.09	0	0.09	0	0.00	0	0.00	20000
	S K Jindal & Sons HUF	AAPHS1426R		12300	0	0	12300	0.05	12300	0	12300	0.05	0	0.05	0	0.00	0	0.00	12300
	Hina Devi Goyal	AHLPG7138H		20000	0	0	20000	0.09	20000	0	20000	0.09	0	0.09	0	0.00	0	0.00	20000
	Sangita Jindal	ADDPJ5071E		31000	0	0	31000	0.14	31000	0	31000	0.14	0	0.14	0	0.00	0	0.00	31000
	Savitri Devi Jindal	ACPPJ0130M		14606	0	0	14606	0.06	14606	0	14606	0.06	0	0.06	0	0.00	0	0.00	14606
b	Central Government/ State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0.00
c	Body Corporate		15	7067377	0	0	7067377	31.41	7067377	0	7067377	31.41	0	31.41	0	0.00	0	0.00	7067377
	ABHINANDAN INVESTMENTS LIMITED	AAACA0372L		55000	0	0	55000	0.24	55000	0	55000	0.24	0	0.24	0	0.00	0	0.00	55000
	NALWA SONS INVESTMENTS LIMITED	AAACJ2734R		1372590	0	0	1372590	6.10	1372590	0	1372590	6.10	0	6.10	0	0.00	0	0.00	1372590

	NALWA INVESTMENTS LIMITED	AAACN0171G		270569	0	0	270569	1.20	270569	0	270569	1.20	0	1.20	0	0.00	0	0.00	270569
	SYSTRAN MULTIVENTURES PRIVATE LIMITED	AAYS1317H		100	0	0	100	0.00	100	0	100	0.0004	0	0.00	0	0.00	0	0.00	100
	STAINLESS INVESTMENTS LIMITED	AAFC9433H		82500	0	0	82500	0.37	82500	0	82500	0.37	0	0.37	0	0.00	0	0.00	82500
	VIRTUOUS TRADECORP PRIVATE LIMITED	AAECV7088E		1000	0	0	1000	0.00	1000	0	1000	0.00	0	0.00	0	0.00	0	0.00	1000
	JSL LIMITED	AACJ1451F		2321983	0	0	2321983	10.32	2321983	0	2321983	10.32	0	10.32	0	0.00	0	0.00	2321983
	COLARADO TRADING CO LTD	AACCC1700E		1224635	0	0	1224635	5.44	1224635	0	1224635	5.44	0	5.44	0	0.00	0	0.00	1224635
	OPJ TRADING PRIVATE LIMITED	AABCO9632N		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	GAGAN INFRAENERGY LIMITED	AABCN6118L		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	HEXA SECURITIES AND FINANCE CO LTD	AABCH0944A		1500000	0	0	1500000	6.67	1500000	0	1500000	6.67	0	6.67	0	0.00	0	0.00	1500000
	SUN INVESTMENTS PRIVATE LIMITED	AAACS0389M		82500	0	0	82500	0.37	82500	0	82500	0.37	0	0.37	0	0.00	0	0.00	82500
	OPELINA FINANCE AND INVESTMENT LIMITED	AAACO5195R		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	MANSAROVER INVESTMENTS LIMITED	AAACM0211C		52500	0	0	52500	0.23	52500	0	52500	0.23	0	0.23	0	0.00	0	0.00	52500
	JINDAL EQUIPMENT LEASING AND CONSULTANCY SERVICES LIMITED	AAACJ0091P		102500	0	0	102500	0.46	102500	0	102500	0.46	0	0.46	0	0.00	0	0.00	102500
d	Financial Institutions/ Banks			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
e	Any Other (specify)			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)			26	7274888	0	7274888	32.34	7274888	0	7274888	32.34	0	32.34	0	0.00	0	0.00	7274888
2	Foreign																		
a	Individuals (Non-Resident Individuals/			4	1077004	0	1077004	4.79	1077004	0	1077004	4.79	0	4.79	0	0.00	0	0.00	1077004

	Foreign Individuals)																		
	PRITHVI RAJ JINDAL	AALPJ2120R		85500	0	0	85500	0.38	85500	0	85500	0.38	0	0.38	0	0.00	0	0.00	85500
	RATAN JINDAL	AASPJ0852D		66218	0	0	66218	0.29	66218	0	66218	0.29	0	0.29	0	0.00	0	0.00	66218
	SURYA KUMAR JHUNJHNUWA LA	AGTPJ9766B		923286	0	0	923286	4.10	923286	0	923286	4.10	0	4.10	0	0.00	0	0.00	923286
	SARIKA JHUNJHNUWA LA	AGTPJ7274N		2000	0	0	2000	0.01	2000	0	2000	0.01	0	0.01	0	0.00	0	0.00	2000
b	Government			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
c	Institutions			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
d	Foreign Portfolio Investor			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
e	Body Corporate		1	5841570	0	0	5841570	25.96	5841570	0	5841570	25.96	0	25.96	0	0.00	0	0.00	5841570
	Hind Strategic Investments	AABCH7462B		5841570	0	0	5841570	25.96	5841570	0	5841570	25.96	0	25.96	0	0.00	0	0.00	5841570
f	Any Other (specify)			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)		5	6918574	0	0	6918574	30.75	6918574	0	6918574	30.75	0	30.75	0	0.00	0	0.00	6918574
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		31	14193462	0	0	14193462	63.09	14193462	0	14193462	63.09	0	63.09	0	0.00	0	0.00	14193462

Table III: Statement showing shareholding pattern of public shareholder

(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= IV+V+VI	(VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form		
								No of Voting Rights					Total as a % of Total Voting right	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)	
								ClassX	ClassY	Total									

l	Institutions																	
a	Mutual Funds/		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
b	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
c	Alternate Investment Funds		3	557009	0	0	557009	2.48	557009	0	557009	2.48	0	2.48	0	0.00	0	0.00
	Eq India Fund	AA AT E78 35 M		380000	0	0	380000	1.69	380000	0	0	1.69		1.69	0	0.00	0	0.00
d	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
e	Foreign Portfolio Investors		1	500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00
f	Financial Institutions/ Banks		5	35975	0	0	35975	0.16	35975	0	35975	0.16	0	0.16	0	0.00	17923	49.82
g	Insurance Companies		2	333000	0	0	333000	1.48	333000	0	333000	1.48	0	1.48	0	0.00	0	0.00
	National Insurance Company Limited	AA AC N9 967 E		332750	0	0	332750	1.48	332750	0	332750	1.48	0	1.48	0	0.00	0	0.00
h	Provident Funds/ Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
i	Any Other (specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
	Sub-Total (B)(1)		11	926484	0	0	926484	4.12	926484	0	926484	4.12	0	4.12	0	0.00	17923	1.93
2	Central Government/ State Government(s)/ President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
	Sub-Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
3	Non-institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
a	Individuals -		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		13515	4543390	0	0	4543390	20.19	4543390	0	4543390	20.19	0	20.19	0	0.00	40492	0.89
i	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		1	250000	0	0	250000	1.11	250000	0	250000	1.11	0	1.11	0	0.00	0	0.00
	GANESH SRINIVASAN	AA GP S50 47 M		250000	0	0	250000	1.11	250000	0	250000	1.11	0	1.11	0	0.00	0	0.00
b	NBFCs registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
c	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
d	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00
e	Any Other (specify)		997	2585009	0	0	2585009	11.49	2585009	0	2585009	11.49	0	11.49	0	0.00	84829	4.92
	Other Body Corporate		283	1894391	0	0	1894391	8.42	1894391	0	1894391	8.42	0	8.42	0	0.00	83642	4.42
	Assured Fincap Pvt Ltd.	AA DC A8		789350	0	0	789350	3.51	789350	0	789350	3.51	0	3.51	0	0.00	0	0.00

		714 F																	
NRI with Repat			181	3899 39	0	0	389939	1.73	389939	0	389939	1.73	0	1.73	0	0.00	0	0.00	389529
Elsamma Joseph	AF QP J49 44P			2350 00	0	0	235000	1.04	235000	0	235000	1.04	0	1.04	0	0.00	0	0.00	235000
NRI without Repat			73	4615 6	0	0	46156	0.21	46156	0	46156	0.21	0	0.21	0	0.00	0	0.00	46156
Trust			1	1397	0	0	1397	0.01	1397	0	1397	0.01	0	0.01	0	0.00	0	0.00	1397
Other – Clearing Member			48	1642 3	0	0	16423	0.07	16423	0	16423	0.07	0	0.07	0	0.00	0	0.00	16423
Other – Individual HUF			411	2367 03	0	0	236703	1.05	236703	0	236703	1.05	0	1.05	0	0.00	118 7	0.50	236703
Cooperative Societies			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Educational Institutions			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
OCB			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Foreign Companies			0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
Sub-Total (B)(3)			14513	7378 399	0	0	7378399	32.80	7378399	0	7378399	32.80	0	32.80	0	0.00	125 321	1.70	6956091
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)			14524	8304 883	0	0	8304883	36.91	8304883	0	8304883	36.91	0	36.91	0	0.00	143 244	1.72	7881325

Table IV: Statement showing shareholding pattern of Non-promoter- Non public shareholder

	Category & Name of the Shareholders	PAN	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total no. shares held	Shareholding % Calculated as per SCRR, 1957	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares Pledged or otherwise encumbered		Number of equity Shares held in Dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held	No. (a)	As a % of total shares held (b)	
									Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = IV+V+VI	(VIII) As a % of (A+B+C)/2	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)	
1	Custodian /DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

4. **List of Shareholders holding more than 1 % of the share capital of our Company.**

Name	Number of shares held	Total percentage
Hind Strategic Investments	5841570	25.9644
JSL Limited	2321983	10.3207
Hexa Securities And Finance Co Ltd	1500000	6.6672
Nalwa Sons Investments Limited	1372590	6.1008
Colarado Trading Co Ltd	1224635	5.4432
Surya Kumar Jhunjhnuwala	923286	4.1038
Assured Fin - Cap Pvt Ltd	789350	3.5085
EQ India Fund	380000	1.6890
National Insurance Company Ltd	332750	1.4790
Nalwa Investments Limited	270569	1.2026
Ganesh Srinivasan	250000	1.1112
Elsamma Joseph	235000	1.0445

5. **Subscription to the Issue by the Promoters and Promoter Group**

One of our Promoters, M/s. Hind Strategic Investments (“HSI”) which is an Overseas Corporate Body (OCB) will not be eligible to participate in the present rights issue (i.e neither it can subscribe nor renounce its Rights entitlement) in view of Para 5(2)(C) of the notification No. FEMA 101/2003-RB dated October 3, 2003 issued by RBI under Section 6 of the FEMA 1999 and further clarification by RBI vide its email dated January 24, 2018. HSI presently holds 25.96% of our paid up share capital. However, our other promoter Mr. Ratan Jindal, on his behalf and on behalf of the Promoter Group (other than HSI), has given undertaking vide his letter dated August 24, 2018 to subscribe to the entitlement of the entire Promoter and Promoter Group (including entitlement on the shareholding of HSI) in full either through themselves or through other members of the Promoter and Promoter Group or through investors, either through subscription in part or full and/or application for additional shares; and/or by renouncing their Rights Entitlement in part or full.

In such an event, the shareholding of Promoter and Promoter Group in our Company may accordingly stand modified. Further, Our Promoters and Promoter Group reserve the right either through themselves or through investors to additionally subscribe for any unsubscribed portion in the Issue. Such subscription to additional Equity Shares and the unsubscribed portion of the Issue, if any, to be made by the Promoter and the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in our Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws.

6. Our Promoter and Promoter group holds 1,41,93,462 equity shares of our Company representing 63.09 % of the issued share capital including holding of one of the directors of our Corporate promoter HSI, Mr. Surya Kumar Jhunjhnuwala of 9,23,286 shares constituting 4.10% of paid up capital in our Company.

7. Our Promoters, Promoter Group and any of the Directors and their immediate relatives and directors of the Hind Strategic Investments have not acquired any shares of our Company during the period of twelve months preceding the date of the Draft Letter of Offer except as per details given below:

S. No	Promoter Group	Date of Acquisition	Equity Shares	Average price of acquisition
1.	Mrs. Sangita Jindal	02-Dec-17	31,000	Gift-inter-se promoter transfer
2.	Opelina Finance and Investments Limited	19-Dec-17	500	Rs. 199.99
3.	Gagan Infraenergy Limited	19-Dec-17	500	Rs. 200.00
4.	OPJ Trading Private Limited	19-Dec-17	500	Rs. 199.50
5.	Virtuous Tradecorp Private Limited	19-Dec-17	1,000	Rs. 200.33
6.	Systran Multiventures Private Limited	21-Dec-17	100	Rs. 200.16
7.	Mr. Surya Kumar Jhunjhnuwala	11-Apr-18	923,286	Rs. 150.00
8.	Mr. Naveen Jindal	27-Apr-18	2,306	Rs. 140.00 in Rights Issue
9.	P R Jindal HUF	27-Apr-18	2,306	Rs. 140.00 in Rights Issue

10.	Ms. Sminu Jindal	27-Apr-18	1,968	Rs. 140.00 in Rights Issue
11.	Mrs. Savitri Devi Jindal	27-Apr-18	2,306	Rs. 140.00 in Rights Issue
12.	Mrs. Deepika Jindal	27-Apr-18	5,625	Rs. 140.00 in Rights Issue
13.	JSL Limited	27-Apr-18	23,20,983	Rs. 140.00 in Rights Issue
14.	Mr. Prithvi Raj Jindal	27-Apr-18	13,500	Rs. 140.00 in Rights Issue
15.	Mr. Ratan Jindal	27-Apr-18	35,718	Rs. 140.00 in Rights Issue

In addition to above, one of the members of the Promoter Group, Ms. Sarika Jhunjhnuwala has acquired 2,000 Equity Shares from market at an average price of Rs. 123.14 on July 24, 2018, i.e, after the date of Draft Letter of Offer.

8. Our Promoter Group, Directors and their relatives and Directors of our Corporate Promoter have not financed the purchase, by any other person, of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Letter of Offer with the SEBI.
9. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of the Letter of Offer. We have no partly paid up equity shares or call in arrears as on the date of the Letter of Offer.
10. None of the shares were issued by our Company during the last 12 months at a price lower than the Issue Price.
11. None of the Equity Shares of our Company are locked-in as on the date of the Letter of Offer.
12. There were no issuance of Equity Shares for consideration other than cash or out of revaluation reserves since FY 1995-1996.
13. None of the Equity Shares of our Company held by the Promoter is subject to pledge or encumbrance as on the date of the Letter of Offer.
14. Our Company has one employee stock option Plan 2013. Total of 17,875 shares have been exercised and shares allotted as per detail given below:

No. of Shares	Quarter Ending	Price Range
14,750	September 2015	14,000 shares at Rs. 43.80/- and 750 shares at Rs. 46.97/-
500	December 2015	Rs. 43.80/-
2,625	March 2016	Rs. 55.61/-

15. The present Issue being a rights issue, pursuant to Regulation 34 of the SEBI ICDR Regulations, the requirements of Promoters' contribution and lock-in are not applicable.
16. Except for the allotment of Equity Shares pursuant to exercise of options under ESOP 2013, if any, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Letter of Offer with the Stock Exchanges until the Equity Shares to be issued pursuant to the Issue have been listed. However, for growth of business in future, our Company may explore various options including issue of further securities either by way of preferential basis or further public issue of specified securities or Qualified Institution Offer, subject to approval of shareholders as applicable within six months from the date of opening of the present issue.
17. If our Company does not receive the minimum subscription of ninety percent of the Issue our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.
18. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 82.78.
19. Over subscription to an extent of ten percent of the offer size can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

20. Our Company has not undertaken any public issue in the three years immediately preceding the date of this Letter of Offer. However, our Company has come out with a Rights Issue aggregating Rs. 4973.32 Lakhs which closed on April 19, 2018.
21. At any given time, there shall be only one denomination of the Ordinary Shares.
22. Our Company, our directors or the merchant banker have not entered into any buy back arrangements for purchase of the specified securities of the issuer, or have not entered into any arrangements for safety net facility.

Employee Stock Option Scheme

Our Company has constituted Employee Stock Option Plan 2013 pursuant to the resolution passed by the Board and Shareholders on August 06, 2013 in terms of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999. As per Clause 5 of the ESOP Scheme 2013, eligible employees are:

- Only employees are eligible for being granted Employee Stock Options under ESOP 2013. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Remuneration Committee.
- The Scheme shall be applicable to the Company and its subsidiaries and stock options may be granted to the Employees and Directors of the Company and its subsidiaries as determined by the Remuneration Committee at its own discretion.

As on the date of the Letter of Offer, we have granted 9, 40,000 stock options in accordance with the ESOP 2013, details of which are as under:

<u>Particulars</u>	<u>Details</u>		
Options approved by shareholders	9,46,405 Options		
Options Granted	9,40,000 Options		
Vesting period	Not earlier than 1 year and not later than 6 years from the date of grant of options		
Pricing Formula	At market price, i.e closing price prior to the date of meeting of Board of Directors in which the options or granted or at a price upto 33% discount to the market price.		
Options Vested	71,475 Options		
Options Exercised	17,875 Options		
Total number of shares arising as a result of exercise of option	17,875 Shares		
Options lapsed/forfeited/cancelled	8,96,250		
Variation of terms of options	There is no variation in terms of options		
Money realized by exercise of options	Rs. 8,16,304		
Total number of options in force as on March 31, 2018	25,875		
Employee-wise detail of options granted to			
Senior managerial personnel i.e., Directors and Key Managerial Personnel	Mr. Sameer Nagpal, Managing Director (Tenure of Employment – 25.05.2013 to 30.05.2015)		
Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	Praveen Kumar Asthana		34,000
	Pravir Kumar		34,000
	Sanjay Chowdhury		25,000
	Sandeep Kokane		25,000
	Ketan Dinesh Girap		34,000
	Chandan Arora		-
	Shankar Subramanian		1,875
	Abhay Dadhich		25,000
Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Mr. Sameer Nagpal, Managing Director (Tenure of Employment – 25.05.2013 to 30.05.2015)		
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with Indian Accounting Standard (IND AS) 33 'Earning Per Share' except for	Period	On a standalone basis (Rs.)	On a consolidated basis (Rs.)

FY 2015-16 and FY 2014-15, which are as per IGAAP as per respective audited financial statements.	2017-2018	(23.97)	(24.07)
	2016-2017	(5.07)	(5.12)
	2015-2016	2.76	2.75
	2014-2015	(5.53)	(5.53)
Difference between employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company has used fair value of options	Not applicable as method used is fair value method of valuation.		
Lock-in	Nil		
Impact on profits and EPS of the last three years if our Company had followed accounting policies specified in the SEBI Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended or the SEBI (Share Based Employee Benefits) Regulations, 2013, as amended in respect of options granted in the last three years	No change		
Intention of the holders of the equity shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their equity shares within three months after the date of listing of the equity shares in the initial public offer (aggregate number of equity shares intended to be sold by the holders of options), if any. In case of an employee stock option scheme, this information same shall be disclosed regardless of whether equity shares arise out of options exercised before or after the initial public offer.	Not Applicable		
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable		
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Exercise price for shares was less than the Market price of the Stock Weighted average exercise price- Rs. 92.08 weighted average fair value of options – Rs. 98.23		
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option	Method and Significant assumptions used to estimate the fair values of options	Black Scholes valuation Model	
	(i) Weighted average share price/Fair Value of share (Rs.)	137.34	
	(ii) Exercise Price (Rs.)	92.08	
	(iii) Annual Volatility (Standard Deviation – Annual)	69.57%	
	(iv) Time to Maturity – in years	0.82	
	(v) Dividend yield	0.00%	
	(vi) Risk Free rate - Annual	8.15%	
Diluted EPS pursuant to issuance of shares under ESOP; and consideration received against issuance of shares	The shares under ESOP scheme were allotted in FY 2015-2016, diluted EPS are 2.75 and 2.76 per share on consolidated and standalone basis respectively. Total consideration received due to exercise of options is Rs. 8,16,304		

Category of employee	No. of options Allotted	Date of Allotment	Exercise Price (Rs. per option)
Key Managerial Personnel			
Managing Director (Mr. Sameer Nagpal)	14,000	03.07.2015	43.80
Employee who is issued shares in any one year amounting to 5% or more shares issued during the year except as given above (if any)	Nil	N.A	N.A
Employee who is issued shares during any one year equal to or exceeding 1% of the issued capital of our Company at the time of issuance except as given above (if any)	Nil	N.A	N.A

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

1. Project of Reinstatement of paint manufacturing plant at Nashik
2. Setting up a Regional Distribution Centre (RDC) at Nashik
3. Long Term Working Capital Requirements
4. General Corporate Purposes
5. Expenses for the issue

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

Requirement of Funds

The total estimated funds requirement is given below:

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Project of Reinstatement of paint manufacturing plant at Nashik	5,152.13
2	Setting up of Regional Distribution Centre (RDC) at Nashik	340.00
3	Long Term Working Capital Requirements	13,500.00
4	General Corporate purposes	3,782.75
5	Expenses for the issue	92.00
Total		22,866.88

Means of Finance

Sr. No.	Particulars	Amount (in ₹ Lakhs)
1	Proceeds from the Rights Issue	21,767.15
2	On account claim from Insurance	1,099.73
Total		22,866.88

The fund requirement and deployment is based on our Management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan.

We operate in highly competitive, dynamic market conditions and may have to revise our business plan from time to time. Consequently, our fund requirements and utilization of proceeds may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management, subject to necessary approvals, and such rescheduling, if any, shall be within the objects of the Issue.

We do not propose to raise any funds for meeting the object of the issue from sources other than the proceeds of the rights issue except Rs. 1099.73 lakhs received as on account insurance claim in respect of Nashik plant which was damaged in fire in November, 2016. Accordingly, Our Company confirms there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Rights Issue.

Details of use of Issue Proceeds:

1. Project of Reinstatement of paint manufacturing plant at Nashik

We were manufacturing Industrial & Decorative paints at our Nashik plant, pre-fire incident in November, 2016. As a result of fire, the plant was majorly damaged. Though, we have restarted a small unit of the facilities which was not affected by fire, i.e, production of Alkyd Resin, Aluminum paint and Packaging paint in April 2017 but major manufacturing activities could not be started due to heavy damages to the plant. We intend to reinstate the manufacturing facility at Plant to restart production of Industrial and Decorative Paints and also enhance the capacity.

Capacity

In	kl per annum	% of Increase
Pre-fire	23,400	
Reinstatement	26160	11.8

Estimated Costs

The cost of Reinstatement of manufacturing facility is estimated at Rs. 5,152.13 Lakhs which has been estimated by our management in accordance with our business plans approved by our Board of Directors. The detailed breakdown of such estimated cost is as below.

Particulars	Amount in (Rs. Lakhs) Inclusive of all taxes
Civil work and construction of Factory Building	1,995.02
Equipment, Machinery and Electrical Installation	2,826.11
Contingencies and other costs	331.00
Total	5,152.13

A Civil work and construction of Factory Building Cost – Rs. 1,995.02 Lakhs

The reinstatement of plant is proposed at the existing factory site which was set up on free hold land situated at Village Gonde, Dumala, Taluka Igatpuri, District Nashik-422404, Maharashtra in the name of Shalimar Paints Ltd. The Operational area is in 7460 sq mt.

The footprint of the proposed unit are to be located over the existing destroyed plant area albeit with new foundations, manufacturing areas updated sizing coupled with Raw Material and Packing Material storages. We have engaged M/s. EV Lokhandwalla and Associates, Court Chambers, 35, Sir Vithaldas Thackersey Marg, New Marine Line, Mumbai – 400020, as our civil architectural advisor at a fee of Rs. 55 Lakhs plus GST. M/S SCON Project Pvt Ltd. has been engaged for civil work for main building and boundary wall. M/S KIRBY Building Systems India Pvt. Ltd. have been engaged for Supply of Pre-Fabricated Steel Building works and M/S Prathamesh Enterprises for Erection of Pre-Fabricated Steel Building.

The entire building would be provided with 4 nos. external fire escape staircases and 1 no. internal staircase. Two nos. lifts / hoists are to be provided for transfer of Raw Material Powder bags /Drums to the first floor for charging into the equipments. The entire construction is envisaged to be with new column footings, structural steel columns and structural steel floors lined with beams and chequered plate topped with Tremix flooring over it. The external facades of the building are planned with a cladding of pre-coated sheets as also similar sheets to the roof.

The total area of construction is: Foot print of ground floor coverage is 4589.27 sq. metres; total construction considering ground, first, mezzanine floor and others is 8306.66 sq. metres. The average construction cost has been estimated at about Rs 1,726.89 per sq. ft., equivalent to Rs. 18,581.36 per sq. metre. Total cost of civil work & pre-fabricated steel factory building is estimated at Rs. 1543.49 lakhs plus GST amounting to Rs. 277.83 lakhs. The above cost is inclusive of related plumbing works in the Plant. The period of completion for the plant building Civil & Structural construction work would be about six months.

Vendor	Specifications	Date of Purchase Order (PO) / Quotation	Amount in (Rs. Lakhs)	GST in (Rs. Lakhs)
E.V.Lokhandwalla & Associate	Architectural Advisor Fees	Agreement dated 20.05.2018, PO 21.09.18	55.00	9.90
SCON Projects Pvt.Ltd.	Civil / Construction of Main Plant Building & Plumbing work	PO 14.09.18	525.00	94.50
KIRBY Building Systems India Pvt.Ltd	Supply of Prefabricated Steel Building	PO 17.08.18	725.00	130.50
KIRBY Building Systems India Pvt. Ltd	Additional work in Pre-Fabricated Steel Building	Quotation 24.10.18	212.49	38.25
Prathamesh Enterprises	Erection of Pre Engineered Building	PO 07.09.18	75.00	13.50
Arya Engineers & Contractors pvt. Ltd	Detailed Engineering Services	PO 22.08.18	40.00	7.20
SCON Projects Pvt Ltd	Civil Work for Boundary wall & Grills	Quotation 07.10.18	52.20	9.40
E.V Lokhandwalla & Associate	Civil Work for bulk storage of Tank for Emulsion and process work	Quotation 29.10.2018	6.00	1.08
	TOTAL		1,690.69	304.33
	TOTAL (inclusive of GST)			1,995.02

B Equipments, Machinery and Electrical Installation

The following equipment, machinery and accessories is required by us for manufacturing and distribution of Industrial and Decorative paints. The total cost of equipment, machinery and accessories is estimated at Rs. 2,826.11 Lakhs which is based on quotations received from various vendors.. Except for an equipment for Rs. 374.94 lakhs from Germany no other machinery/equipment is intended to be imported. The details of Machinery and equipments to be purchased are outlined below

Vendor	Description	Date of Purchase Order (PO) / Quotation	Amount in (Rs. Lakhs)	GST (in Rs. Lakhs)
TELEMATRIX ENGINEERS & CONSULTANT	Attritor 1.2KL (3), Attritor .7KL (3), Steel Ball Mill-2.2 KL (1)	PO 29.09.18	75.03	13.51
MODERN MACHINERY MFG CO.	HSD - High Speed Dissolvers (7), Pebble Mills (3), Bead Mill (1), Sand Mills (2)	PO 12.09.18	105.26	18.95
ANKRUJA ENGINEERS	TSD - Twin Shaft Dispensor (4)	PO 18.09.18 PO 24.09.18	168.00	30.24

Novatech Projects India Pvt.Ltd	Lang Mixtures, Accelator Tanks, Additive Tanks, Inprocess Tanks Water & Emulsion Tank-25 & 50KL	PO 15.10.18	340.00	61.20
WAB India Pvt. Ltd	DYNO_MILL KD 60	PO 12.09.18	151.50	27.27
REICO INDUSTRIES LTD	Powder Material Handling Systems	PO 25.09.18	71.00	12.78
Ystral GMBH (Import - Germany)	Powder Wetting and Dispersion Machine	Quotation 20.09.18	318.05*	56.89
Ystral GMBH	Control System and Piping	Quotation 20.09.18	100.00	18.00
E.V.Lokhandwala & Associate	Fire Hydrant Systems	Quotation 05.10.18	310.09	55.82
E.V.Lokhandwala & Associate	Piping Work for Plant & Erection	Quotation 05.10.18	260.13	46.82
Komal Scientific	Glassomaster, Salt Spray Corrosion Cabinet Elcometer, Titration Apparatus, Lab Oven and other lab equipments	Quotation 23.10.18	67.74	12.19
Cadetronics	Enamel Paint Filling machine	Quotation 19.10.18 and 12 June, 2018	29.59	5.33
Otis Elevator Company India Limited	OTIS Electric Elevators (2 Nos)	Quotation 16.10.18	58.20	10.48
Konark Engineers	Atlas Copco screw compressor	Quotation 17.10.18	8.86	1.59
Macneill Engineering	Battery operated fork lift truck Capacity 2000 kg	Quotation 20.10.18	8.36	1.50
Span Associates	Water Cooling unit of 45000 Kcal/hr (15TR)	Quotation 19.10.18	7.60	1.37
Om Enterprises	Flameproof (FLP) Motors – 6 numbers	Quotation 17.10.18 and 09 May, 2018	6.77	1.22
Komal Scientific	Dispermaster	Quotation 19.10.18	5.25	0.95
Ball Star Inds	Steel Balls 10 mm to 12 mm	Quotation 17.10.18 and 11 June, 2018	4.44	0.80
Cadetronics	Paste Filling Machine 1 to 5 Kg Cans	Quotation 19.10.18 and 12 June, 2018	4.18	0.75
Gel Engineering	Spray Painting Booth	Quotation 19.10.18	3.85	0.69
Prakash Fabcon& Engg	Pallet Racks, Ground + 2 levels	Quotation 19.10.18	3.30	0.59
Cadetronics	Lidpress Machine split break type for 10 Ltr & 20 Ltr	Quotation 19.10.18 and 12 June, 2018	0.96	0.17
Khushi Engineers	Mobile Manual Hydraulic Drum Lifter cum Tilter	Quotation 19.10.18 and 08 May, 2018	0.73	0.13
Jaldoot Materials Handling	Hand Pallet Trucks 2 Numbers	Quotation 19.10.18 and 09 May, 2018	0.49	0.09
Alpha Helical Pumps Pvt Ltd.	Alpha Helical pump and rotary gear pump 1 set each	Quotation 18.10.18	2.01	0.36
Indo Pump	Pumps & Flow Meters	Quotation 19.10.18	0.44	0.08

Toshniwal Hyvac Pvt Ltd.	PD Meter and Watering Meter	Quotation 19.10.18	16.99	3.06
Advent Engineers	Supply, Installation & Commissioning of HT Work, LT Panel, LT Cables	Quotation 10.10.18	266.49	47.97
	TOTAL Electrical Installation, Plant & Machinery		2395.31	430.80
	Total			2826.11

*Euros 350,000 @ Rs. 84.00 per Euro as on September 20, 2018 plus Custom Duty of Rs. 22.05 Lakhs and Rs. 2 Lakhs for other expenses.

Till November 12, 2018, we have paid advance amounting to Rs. 261.53 Lakhs towards advance to the suppliers / contractors for the Nashik Project.

Other Expenses, Contingencies:

Vendor	Specifications	Quote / offer Reference / date	Amount in (Rs. Lakhs) Inclusive of GST
Management Estimate	Computers	-	6.00
Management Estimate	Furniture & Fixtures	-	70.00
Management Estimate	Contingency including Erection and installation etc.	-	255.00
	Total		331.00

Schedule of Implementation:

Particulars	Facility	
	Estimated Commencement Date	Estimated Completion Date
Civil construction	November 2018	February 2019
Placement of order of Plant & Machinery	September 2018	December 2018
Receipt of Plant & Machinery	December 2018	February 2019
Installation	December 2018	February 2019
Trial runs	-	March 2019
Commercial production	-	March 2019

Power:-

Our Company will have total requirement of connected Electricity load of 500 KVA for the total plant requirement. Our Company has power sanction load of 125 KVA which will be enhanced upon completion of the project.

Water:

Water requirement would be met through bore-wells & from other local supplies.

2. Setting up of Regional Distribution Centre (RDC) at Nashik

Our Company intends to set up a Regional Distribution Centre for the paint products manufactured at the reinstated plant at Nashik. The RDC is to be set up adjacent to the plant in same premises at Shalimar Paints Limited, Village Gonde Dhumala, Taluka – Igatpuri, District – Nashik. This Centre will stock the finished goods and facilitate in supplying the paint products to our various depots primarily in Western and Central region. RDC is proposed to be at 1500 sq.Mtr. with a total cost of Rs. 340.00 Lakhs.

Vendor	Specifications	Date of Quotation	Amount (In Lakhs inclusive of GST)
E.V.Lokhandwalla & Associate	Architect's fee	Agreement dated 20.05.2018	10.42
SCON Projects Private Limited	Civil Works for Warehouse/Regional Distribution Centre including Plumbing Work	07.10.2018	320.58
Management Estimate	Furniture & Fixtures	-	9.00
	Total		340.00

The construction of RDC would be completed by February, 2019.

3. Long Term Working Capital Requirements Rs. 13,500 Lakhs

We are in the business of manufacturing paints, and have to maintain adequate inventory during all times. Since we also sell our products to customers on credit, the increased sales will result into increase in debtors. Further, at present holding level of creditors is much higher than the industry norms that is affecting our performance which we need to reduce. We intend to utilize our capacities at optimum level in our plants including Gummidipoondi Plant which has been recommissioned in September 2017. As, we run our plants at different locations, hence need to maintain the sufficient inventory at each location to cover the lead time between ordering to delivery time and optimizing order quantity based on delivery cost and storage costs.

Presently, we have sanctioned working capital limits of Rs. 11000 Lakhs from consortium bankers. The equity infusion through Rights Issue is proposed to meet our increasing working capital requirement that will help in maintaining creditors, debtors, inventory holding levels as per our operations requirement and in order to achieve growth in next 2-3 years and also for maintaining growth pace with Industry going forward. Therefore, in order to smoothen our working capital cycle, we propose equity infusion of Rs. 13,500 Lakhs through Rights Issue.

The working capital requirement is estimated as under:

Working Capital Requirement					Rs. Lacs
Particulars	Mar - 15	Mar-16	Mar-17#	Mar-18	Mar-19
	Actual	Actual	Actual	Actual	Estimates
Current Assets					
Inventories	10598	11092	9255	7401	12053
Raw Material	2327	2360	1578	1343	2574
Work- in -Progress	233	326	157	213	302
Finished Goods	7901	8289	7360	5721	9051
Stores & spares	137	116	160	124	125
Sundry Debtors	15362	14364	12470	10584	15562
Cash & Bank balances	93	896	1173	1909*	740
Current Tax Assets (Net)	412	554	312	278	300
Other Current Assets	1575	1787	2223	1649	1849
Claim Receivables	1475	1475	3476	2260	3238
Total Current Assets	29516	30168	28909	24081	33742
Current Liabilities and Provisions					
Trade Payables / Sundry Creditors	15639***	15625***	12905	13952	7300
Other current liabilities	6	5	1052	1559	700
Provisions and other financial liabilities	2659	3228	2169	2406**	1232
Total Current Liabilities	18304	18857	16126	17917	9232
Total Working Capital Gap	11212	11311	12783	6164	24510
Working Capital facilities from Banks					11000
Working Capital Requirement					13510

*includes amount of Rs. 1,099.73 Lakhs received as on account insurance claim in respect of Nashik Plant.

** Amount includes Rs. 500.00 Lakhs of unsecured loan from M/S JSL Limited which has since been converted on April 27, 2018 into Equity shares pursuant to Rights Issue

*** This Includes Bill Discounting from Banks in FY 2014-15 & FY 2015-16

Figures have been regrouped/rearranged wherever necessary.

The Working capital assessment is made on the basis of following assumptions:

Ratios - Months

Particulars	Mar -15	Mar -16	Mar-17#	Mar-18	Mar-19
	Actual	Actual	Actual	Actual	Estimates
Creditors Turnover Period	6.32	7.03	6.66	8.80	2.91
Raw Material Holding Period	1.04	1.20	0.99	1.16	1.18
WIP Holding Period	0.08	0.12	0.07	0.10	0.10
Finished Goods Holding Period	2.67	2.54	2.43	2.18	2.61
Debtors Turnover Period	2.76	2.97	4.28	4.68	4.67

Figures have been regrouped/rearranged wherever necessary.

4. General Corporate Purposes

We intend to deploy balance issue proceeds aggregating Rs 3,782.75 Lakhs towards general corporate purposes including but not restricted to entering into brand building exercises, strengthening our marketing capabilities, general maintenance, Capital expenditure, repayment of outstanding loans ,meeting expenditure in the ordinary course of business including salary & wages, administrative expenditure , Insurance related expenditure, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the proceeds of the issue would be deployed for the General Corporate purposes.

5. Expenses for the Issue

The Issue related expenses consist fees payable to the Lead Manager, Legal counsel, Registrar to the Issue, stationery printing and distribution expenses, advertisement expenses, depositories fees, listing fees and all other incidental and miscellaneous expenses in respect of Rights Issue and Listing of additional equity shares on the Stock Exchanges. We intend to use approximate Rs 92.00 Lakhs towards these expenses which are to be met out of issue proceeds.

(₹ in lakhs)

Particulars	Estimated Expenses (₹ in Lakhs)	% of Estimated Issue size	% of Estimated Issue expenses
Fees payable to intermediaries including Lead Manager and Registrar to the Issue	20.65	0.09	22.45
Advertising, travelling and marketing expenses	13.00	0.06	14.13
Printing, stationery expenses and despatch charges	8.50	0.04	9.24
Other expenses (including but not limited to legal counsel fees, SEBI fees, listing fee, depository fees, auditor fees, out of pocket reimbursements, etc.)	49.85	0.23	54.18
Total	92.00	0.42	100.00

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized a under:

(₹in lakhs)

Particulars	Funds already deployed (upto November 12, 2018)	2018-19	Total
Project of Reinstatement of Nashik Plant	261.53	4,890.60	5,152.13
Setting up of RDC at Nashik	-	340.00	340.00

Long term Working Capital Requirements	-	13,500.00	13,500.00
General Corporate Purposes	-	3,782.75	3,782.75
Issue Expenses	44.17	47.83	92.00
Total	305.70	22,561.18	22,866.88

Deployment of Funds towards the Objects of the Issue

We have incurred ₹305.70 lakhs upto November 12, 2018 towards the Objects of the Issue which has been certified by M/S N.C Aggarwal & Co. (Firm Registration no.: 003273N), Chartered Accountants, vide its certificate dated November 13, 2018. The same has been incurred towards issue related expenses amounting to Rs. 44.17 Lakhs and Rs. 261.53 Lakhs towards advance to the suppliers/contractors for the Nashik project and have been financed through internal sources.

Interim Use of Proceeds

Pending utilization for the purpose described above, we intend to deposit the net proceeds only in Scheduled Commercial Banks included in the second schedule of Reserve Bank of India Act 1934, as may be approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

Monitoring of Utilization of Funds

We have appointed State Bank of India, Andheri (E), Mumbai Branch as the monitoring agency for monitoring the proceeds from Rights issue. Our Board and Monitoring Agency will monitor the utilization of Net proceeds. The monitoring agency will also submit a report to our Board in terms of Regulation 16(2) of the SEBI ICDR Regulations. Our Company shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue and further disclose the same a part of the quarterly declaration of financial results. We will disclose the utilization of the proceeds of the Issue in our balance sheet till such time the proceeds of the Issue have been utilised, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The said annual disclosure shall also be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the stock exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of net proceeds from the object of the Issue as stated above. Our Company shall also submit to stock exchange(s) any comments or report received from the monitoring agency.

No proceeds from the Issue are proposed to be paid to the Promoters of our Company.

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

**The Board of Directors,
Shalimar Paints Limited,
Stainless Centre, 4th floor,
Plot No. 50, Sector 32,
Gurgaon - 122003, Haryana**

Dear Sirs,

Sub: Statement of Special tax benefit ('the Statement') available to Shalimar Paints Limited and its shareholders prepared in accordance with the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

1. We hereby confirm that the enclosed Annexure, prepared by Shalimar Paints Limited ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.
2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - (i) the Company or its shareholders will continue to obtain these benefits, in future;
 - (ii) the conditions prescribed for availing the benefits have been/would be met with;
 - (iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.
6. We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.
7. The enclosed annexure is intended for your information and for inclusion in the Draft Prospectus/ Prospectus in connection with the proposed issue of equity shares and is not to be used, refer red to or distributed for any other purpose without our written consent.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place: Gurugram
Date: 23rd May, 2018

Arun Kumar Dubey
Partner
Membership No.- 057141

ANNEXURE

Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India

SPECIAL TAX BENEFITS

I. Benefits available to the Company

Expenditure on scientific research under section 35 of the Income tax Act, 1961(the Act)

Sub section (2AB) (1) of section 35 is applicable to the Company, the relevant portion of it is reproduced below:-

“Where a company engaged in the business of biotechnology or in any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in house research and development facility as approved by the prescribed authority*, then, there shall be allowed a deduction of a sum equal to *two* times of the expenditure so incurred.”

*The prescribed authority is Secretary, Department of Scientific & Industrial Research, Government of India.

The Company has in-house approved scientific research and development facility at Nashik, for carrying out research in relation to production of paints and allied products. Deduction allowable with effect from 1st April, 2018 under the Act, subject to fulfillment of specified conditions, is one and one half times of the expenditure incurred on scientific research.

There are no other special tax benefits available to the Company.

II. Benefits available to the Shareholders

There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

Place: Gurugram
Date: 23rd May, 2018

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Arun Kumar Dubey
Partner
Membership No.- 057141

OUR BUSINESS

We are engaged in the business of manufacturing and marketing of paints. The paint industry is classified in two broad categories - Decorative and Industrial. For our Company, the Decorative segment consists of 67% of total turnover while industrial segment contributes 33% for the financial year ending March 31, 2018 we believe in continuous product innovations for sustainable future by introducing new generation products including eco-friendly products and practices.

We have the wide range of products in Decorative & Industrial sectors as mentioned below

- **Decorative Paints** – Decorative paints are generally used for painting of domestic, office and other buildings mainly for enhancement of aesthetic look & protection. Our Company manufactures and markets wide range of decorative paints for interior and exterior surfaces – concrete, plaster, metal or wood etc. We have created established brand like Weather Pro, Xtra Tough premier, Shaktiman exterior emulsion specially designed for exterior surfaces. We have wide range of interior emulsions brand like Signature luxury emulsion, Stay Clean interior emulsion, Superlac Advance, No 1 Silk and Master interior emulsion & NO.1 Distemper. Shalimar enjoys established brand in solvent based product range like Superlac Hi-Gloss synthetic enamel, Superlac satin enamel and lustre finish. Our Company's range of water based paints come with no added lead or mercury and with near zero VOC (Volatile Organic Component).
- **Industrial Paints** – Shalimar manufactures and markets industrial coatings to cater Protective coating sector, Product Finish (OEM, GENERAL INDUSTRIAL SECTOR), Range of marine paints including antifouling paints Packaging coatings for metal decoration including food can lacquers are established products running successfully in different coating lines for years. Industrial paints can again be classified into Heavy duty protective Coating, GI coating, Packaging Coating and Marine coatings and primarily used for protect the structure from deterioration through corrosion and then beautification. Shalimar is actively involved in providing solution through their expert team to mitigate corrosion by recommending the appropriate coating systems.

Manufacturing facilities & Supply Chain: We have at present running manufacturing facilities at Sikandrabad (UP) and Gummidipoondi which was re-commissioned in September, 2017. Our Company has two other manufacturing facilities at Nashik and Howrah. There was a fire incident in the Howrah Plant on 12th March, 2014 and the plant is under suspension since then. The Nashik Plant caught fire on 19th November, 2016 and the paint plant has not been in operation since then. Before the fire broke out, the average production at the Nashik Plant for one year was around 1400KL per month. The plant was heavily damaged in fire. We have however restarted a small unit at Nashik plant which was not affected by fire i.e. Alkyd Resin, Aluminum Paint and Packaging Paint Unit in April 2017. The two fire incidents have impacted our performance adversely.

We have insured our plants and other assets with sufficient insurance cover and an insurance claim amount of Rs. 1,122.35 lakhs in respect of Howrah plant has been recently received in June, 2018. However, as regard insurance claim of Nashik Plant, we have received on account payment of Rs. 1,099.73 Lakhs in March 2018. In the financial years ending March 31, 2018, the production was limited to two plants, i.e Sikandrabad and Gummidipoondi (from September, 2017 onwards) and for the FY ending March 31, 2017, the production was at Sikandrabad and Nashik Plants (upto November, 2016).

At present, we have active distribution network with 5,300+ active dealers, 32 sales depots and 3 regional distribution centers ("RDC") across all four zones in India. We also exports our products to U.A.E, Nepal and Bhutan. The percentage contribution of exports to the total revenue of our Company is 2.94% and 0.92% for the financial year ending March 31, 2018 and March 31, 2017 respectively. Generally, the products manufactured in plants are first moved to RDC's for onward movement to sales depots and sales depots service the needs of vast network of dealers and customers. We also sell products directly to the customers, mainly in the industrial segment.

Key Clients and Projects Executed:

In Decorative paint segment – Our paint products have been used in painting of various prestigious buildings like AIIMS, Townships of major institutions like NTPC etc., various private residential and commercial buildings, religious institutions, educational institutions, Airports, Railway stations, Sugar Mills and many more.

In Industrial paint segment - Major customers include NTPC, JSW Energy Ltd, Jindal Saw, Jindal Steel and Power, Jindal Stainless Steel, Tata Projects, Essar Projects, FL Smith etc., Hindustan Tin Works, Tata Mettaliks, Tata Iron and Steels. In addition, paints produced by us have been regularly utilized in painting of structure of Howrah Bridge which are supervised by Kolkata Port Trust and inspected & tested by National Test House, Kolkata.

MANUFACTURING FACILITIES

- **Howrah Plant**

Located at P.O. Danesh Shaikh Lane, Howrah, West Bengal. Howrah Plant is the Oldest Plant of our Company and it was first Commissioned in 1902. It was acquired by the current promoters in 1989. There was a fire incident in the Howrah Plant on 12th March, 2014 and the operation has been suspended since then. We are in the process of obtaining approvals from respective authorities for restarting part of the plant. Our Company has received recommendations for fire and safety process from the department. Accordingly, our Company has started working on various aspects of fire safety process. After completion of fire and safety process and installation of related equipment we will apply for licenses and approval for fire safety. Other maintenance work in the plant has been started.

- **Nashik Plant**

Located at Village – Gonde Dumala, Taluka: Igatpuri, Nashik. Plant came into operation in 1992 and had a capacity of 23,400 KLPA. This unit generally manufactured 40% decorative and 60% of Industrial paints. The Plant caught Fire on 19th November, 2016 and the paint plant is not in operation since then. Before the fire broke out the average production at the Unit for last one year was around 1400 KL/ month. We have however restarted a small unit at Nashik plant which was not affected by fire i.e. Alkyd Resin, Aluminum Paint and Packaging Paint Unit in April 2017 with capacity of around 150 KL per month.

- **Sikandrabad Plant**

Acquired in 2002. This plant is located at No.A-1 and A-2 Sikandrabad Industrial Area, Bulandshahr, Uttar Pradesh. It has an installed capacity of 21,600 KLPA. The capacity utilization of the plant was 78% in FY 2017-18.

- **Gummidipoondi Tamil Nadu Plant**

Located at Chinna Puliyaar Village, Gummidipoondi Taluka, District Thiravallur, Tamil Nadu, is a Greenfield Project of our Company. The plant was decommissioned in April 2015 due to technical reasons. The plant has been recommissioned and started commercial production w.e.f September 04, 2017. The capacity of the plant is 18,000 KLPA.

We are outsourcing some of the products. In the Financial year 2017-18 we outsourced/got job work done for products aggregating to 10,443 kilo litres as against 10,664 kilo litres in FY 2016-17. Going forward with the production at Greenfield Gummidipoondi Tamil Nadu Plant ramping up, the share of our own production will increase, thereby maximizing the profitability. Though we may continue outsourcing of some of the products in order to further capitalize on brand and increase market share with better overall profitability. All the quality control standards are adhered to the outsourcing unit by our Company.

As per audited standalone financial statements for the Fiscal 2018 and 2017, our Company has generated total income of Rs. 27,863.96 lakhs and Rs. 39,631.13 lakhs respectively and net profit (loss) after extra-ordinary items and tax of Rs. (4,541.64) lakhs and Rs. (961.24) lakhs respectively. Further, for the first six months ended September 30, 2018 of FY 2018-19, our Company has generated total income of Rs. 12,374 Lakhs and net profit (loss) after extra-ordinary items and tax of Rs. (2,478 lakhs) on standalone basis.

R&D

Our Company set up its R&D Centre in Howrah, West Bengal in 1902. This Centre holds the distinction of amongst the first Indian in-house R&D unit to be recognized by the Department of Scientific & Industrial Research (DSIR), Government of India, in 1979. To keep pace with our Company's growth and expansion, the R & D Centre was shifted to Nashik, Maharashtra in 2009. It is spread over 10,000 sq. ft. It is also recognized & approved by DSIR.

Our R&D center at Nashik Plant is full-fledged, well equipped, modern state of the art laboratory and pilot plant facilities on paints and resin and is manned by highly qualified, experienced and dedicated 23 Technocrats/Scientists. The Research and Development Department (R&D) is carrying out the following activities to fulfill short term and long term business goals of our Company:

- Development of new products in decorative & industrial market sectors in line with market demand, meeting the functional & performance expectations from customers, at optimum cost & meeting EHS (Environment, Health & Safety).
- Continuous value engineering through various means such as design change, new / alternate raw materials use, vendor development.
- Up-gradation of existing products / process to improve quality, reduce cost, save batch cycle time, energy consumption & overall operational efficiency.
- In-house development of Resins & polymeric intermediates for paints.
- Import substitution & introduction of new local raw materials for development.
- Optimization of products & processes to minimize waste generation and address environmental & safety concerns.
- Establishment of industrial products at customer production line.
- Recommendation of coatings system for enhanced service life of national assets.
- Technical service to customer as & when required.
- Undertaking collaborative Research programme with vendors / institutes / academia
- Absorption / Adaptation of new technology – Technology transfer.

In R & D, we have two laboratories. Decorative labs work on interior & exterior architectural paints & coatings. Industrial labs work on protective industrial paints & coatings. In DTS (Dealer Tinting System) lab, formulations are studied, researched & developed. Color computer lab creates and researches colors. In instrumental lab there are latest testing equipment's like QUV, corrosion testing chamber, etc. which are used for testing paint performance. In resin development lab, various new resins are explored and developed.

We have developed the following products in the last 2 years:

- Superlac Advance
- Xtra Tough
- Stay Clean
- Signature
- Weatherpro+
- Solvent free epoxy (Red & Grey) coating for water pipeline interior
- Rapid cure epoxy coating for DI pipe exterior
- Shalitol HW Black for DI pipe
- **Products for exploration**
- We intend to explore new products like Mosquito repellent paint, all in one paint, Low VOC high build polyurethane coating etc.

Third party certification

Our decorative products like Signature, Superlac Advance & Stay Clean interior emulsions are GRIHA Certified. Our industrial products are WRAS and CFTRI certified.

Some of the product properties we get it tested from well know institutes like NTH Mumbai, IIT Powai etc.

Carbon Foot Print

In the past one year, we have optimized the use of TiO₂ in various products. This resulted into lower carbon footprints.

In Financial year 2017-2018, our expenses on R&D Centre was Rs. 174.03 lakhs.

Quality Policy:

We are committed to ensure enhancement in customer satisfaction for our entire range of Paints & Allied products. This is being achieved by ensuring consistent product quality through close monitoring, measuring and corrective actions and by maintaining efficient operations through continual improvement in our quality management system.

CORPORATE SOCIAL RESPONSIBILITY

Our Company has CSR policy and CSR committee. Though in FY 2017-18 we were in losses and CSR provisions are not applicable to us in view of continuous losses, but we did spent Rs. 3.53 lakhs on CSR activities relating to Education.

EXPORTS

We are exporting our paints to various nearby countries like Nepal, Bhutan and UAE. In the financial year 2017-2018 our export revenue was Rs. 809.83 lakhs FOB. We have no export obligation.

HUMAN RESOURCE

We have a structured policy to strengthen our human resources. Our Human resource policy includes various guidelines, including those pertaining to recruitment, travel, leave, separation, POSH and medical benefits. The table stated below provides details of the employees of our Company as on September 30, 2018:

Category of employees	Managerial	Staff	Workers	Total
Employees on the payroll of our Company				
Corporate and Registered Office	36	33	0	69
Nashik Plant	8	32	9	49
Howrah Plant	3	2	22	27
Sikandrabad Plant	6	31	25	62
Gummidipoondi Tamil Nadu Plant	6	38	11	55
Depots	45	198	0	243
Sub-Total (a)	104	334	67	505
Employees of Subsidiary Companies				
Eastern Speciality Paints & Coatings Private Limited	0	0	0	0
Shalimar Adhunik Nirman Limited	0	0	0	0
Sub Total (b)	0	0	0	0
Total	104	334	67	505

INSURANCE

Our operations are subject to risk inherent in the manufacturing such as work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. We maintain insurance for a variety of risk including standard fire and special perils policy, burglary policy, vehicle insurance and import export transit policy which covers insurance of building including stocks, machinery and equipment used in our factory.

The summary of major insurance policies as on September 30, 2018 are as under:

(Rs. In lakhs)

Policy Head	Sum of Total Sum Insured
Burglary	24,334.24
Director & Officer Liability	5,000.00
Fire Insurance -Chennai	10,240.00
Fire Insurance -Depot Stock	9,583.76
Fire Insurance -Howrah	2,600.00
Fire Insurance -Nashik	3,000.00
Fire Insurance -Sikandrabad	5,903.92
FLOP-Gummidipoondi Plant	1,685.58
FLOP-Nashik	1,000.00
FLOP-Sikandrabad	4,000.00
General Liability - Insurance	500.00
Marine Sales Turnover Policy	35,000.00
Money Insurance	1,000.00
Others	14,507.50
Public Liability	500.00
Vehicle Insurance	35.26
Fire Insurance- office	142.37
Grand Total	1,19,032.61

COLLABORATIONS

We have not entered into any collaborations with respect to our business.

COMPETITION

We face competition from existing paint manufacturers, both organized and unorganized. Further, as unorganized sector constitute significant portion of industry in India, the competition remains intense. The large players having higher industry share includes Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited and Akzo Nobel Limited.

INTELLECTUAL PROPERTY

We have 23 trademarks registered in our name in terms of provision of Trademark Act 1999 including trademark “Shalimar” and Label” S Shalimar Paints”

OUR MANUFACTURING FACILITIES AND OTHER IMMOVABLE PROPERTIES

Our Registered and corporate offices are on lease. Our Registered office is situated at Fourth Floor, Stainless Centre, Plot No. 50, Sector 32, Gurugram which is on lease from group company M/s Jindal Stainless (Hisar) Limited. The lease is valid for eleven months upto December 10, 2018 at a monthly rental of Rs. 6,16,140/- per month plus GST. The Corporate Office has been shifted on October 26, 2018 to First Floor, Plot No. 28, Sector 32, Gurugram, Haryana. The Lease agreement executed on July 25, 2018 with Kalyan Herbals Private Limited is valid for 36 Months and is effective from the date of possession, i.e, October 26, 2018 on a monthly rental of Rs. 5,67,000 per month plus taxes. Our Company has also provided an interest free security deposit of Rs. 34,02,000 for corporate office lease

While, three of our manufacturing facilities/plants at Nashik, Gummidipoondi and Howrah are on properties owned by us, the Sikandrabad (U.P) plant/facility is on property on Long term Lease from U.P State Industrial Development Corporation Ltd. (UPSIDC).

DETAILS OF PROPERTIES OWNED BY US

Sr. No	Documents Executed	Name of the Seller	Details of Property	Area	Consideration Amount (Rs.)
1) Nashik Manufacturing Facility	Sale Deed dated 27/03/1991	Group of persons as per the agreement	Gat No.121/126/127/132/133/134/141, Village Gonde Dhumala, Tal.- Igatpuri, Distt. Nashik	56530 Sq. Mtrs.	16,18,200
2)Gummidipoondi Manufacturing Facility	Sale Deed dated 11/12/2009 #	Mr. Jagadesh kumar Bhandari; Mr. Jitendra Kumar	Agricultural Land admeasuring 3.49 Acres at Survey Nos.1/1A of No.19 Chinna Puliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamil Nadu (Certified Dry land as per local revenue official and based on that town and county planning department has given permission for construction of factory thereon)	3.49 Acres	1,25,64,000
3)Gummidipoondi Manufacturing Facility	Sale Deed dated 11/12/2009 #	Mr. Jagadesh Kumar Bhandari; Mr. Jitendra Kumar; Mr. S. Subash Chand	Agricultural Land admeasuring 5.40 Acres, comprised in Survey nos.3/2 (3.32 acres), 3/1(1.50 acres), 15/1A (0.28 acres), 15/1B (0.16 acres) and	5.40 Acres	58,82,750

			15/1C (0.14 acres) of No.19 Chinna Puliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamil Nadu (Certified Dry land as per local revenue official and based on that town and county planning department has given permission for construction of factory thereon)		
4) Howrah Manufacturing Facility*	68 Sale Deeds of different dates from 08/06/1926 to 10/05/1929	Governor of West Bengal, Secretary of State, Secretary for State of India in Council, India General Navigation Railway, Individuals and Group of persons.	68 land parcels in Mouza Goaberia and Thanamakua, Distt. Howrah, aggregating to 32.36 acres (out of which 4.96 acres of land furnished as security to Calcutta High Court in a pending legal matter)	32.36 acres	3,11,434
5) Industrial Plant at Gurgaon	Conveyance Deed dated 25/09/2008	Haryana Urban Development Authority (HUDA)	Plot No.75, Sector -32, Gurgaon	4050 Sq.Mtrs.	5,06,25,000
6) Office	Sale Deed dated 24/01/2003	M/s Wellworth Developers	Unit Nos. 5098 to 5110 on 5th Floor in Wing "C" of 'Oberoi Garden Estates', Village Chandivali, Taluka Kurla, Mumbai Suburban Distt. Containing CTS Nos. 47 and 47/1 to 47/20.	admeasuring 7880 sq. ft. super area and 6304 sq. ft. built-up area	1,04,01,600

These parcels of land acquired for factory at Gummidipoondi, Thiruvallur District, Tamil Nadu is agricultural land. Our Company has received approval for construction of factory thereon from Tahsildar Office, Goomidipoondi Department vide their approval no R.C.No.2522/2017/A1- dated 18/07/2017.

* The Depot at Howrah is located within the premises of factory.

In addition, we have taken on lease/rent 39 properties including our Registered Office, corporate office, one property of Sikandrabad factory land on lease from UPSIDC, one office at Connaught Place, one office at Chennai and 34 others which are used as our RDC's/Sales Depots.

OUR MANAGEMENT

Our Company functions under the Control of Board of Directors. The day-to-day affairs of our Company are looked after by qualified key personnel under the supervision of Mr. Surender Kumar, Managing Director. Presently we have 4 Directors on our Board. The constitution of the Board is as under:

Sr. No	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
1.	<p>Mr. Gautam Kanjilal Director S/o Mr. Nirmal Chandra Kanjilal Address: I – 1698, Chittaranjan Park, New Delhi – 110 019 Occupation: Ex-Banker DIN: 03034033 Date of Appointment: November 07, 2015. Chairman w.e.f November 07, 2016 Reappointed on September 26, 2018 Term: September 25, 2021</p>	69	Indian	<ul style="list-style-type: none"> • Jindal Stainless Limited • Optiemus Infracom Limited • Jindal Coke Limited • Optiemus Electronics Limited
2.	<p>Mr. Surender Kumar Managing Director & CEO S/o Mr. Lakhmi Chand Bhatia Address: D 084, The ICON Apartments, DLF Phase 5, Gurugram – 122 002 Occupation: Service DIN: 00510137 Date of Appointment as Director: May 30, 2015 Appointment as Managing Director & CEO: August 12, 2016 Term: August 11, 2019</p>	53	Indian	<ul style="list-style-type: none"> • Shalimar Adhunik Nirman Limited • Eastern Speciality Paints & Coatings Private Limited
3.	<p>Mr. Alok Perti Director S/o Mr Onkar Nath Perti Address: House No. 552, Shriniketan CGHS, Plot No. 1, Sector 7, Dwarka, Delhi 110 075 Occupation: Professional DIN: 00475747 Date of Appointment: May 24, 2017 Term: May 23, 2020</p>	66	Indian	<ul style="list-style-type: none"> • IIFCL Projects Limited
4.	<p>Ms. Pushpa Chowdhary Director D/o Mr. Sarb Deo Chowdhary Address: 111, Himvarsha Apartment 103, IP Extension, Delhi 110 092 Occupation: Service DIN: 06877982 Date of Appointment: May 30, 2014 Term: September 25, 2019</p>	46	Indian	Nil

Sr. No	Name, Father's Name, Designation, Address, Occupation, Date of Appointment, Tenure and DIN	Age (in years)	Nationality	Directorship / Partnership in other entities (including foreign companies)
5.	<p>Mr. Ashok Kumar Gupta Director S/o Mr. Rameshwar Prasad Gupta Address: C-380, Yojna Vihar, Shakar Pur Baramad, Shakarpur, East Delhi, Delhi – 110 092 Occupation: Professional DIN: 01722395 Date of Appointment: August 10, 2018 Term: 3 years</p>	62	Indian	<ul style="list-style-type: none"> • APL Apollo Tubes Limited • Sanu Steels Private Limited • Global Sparenparts Private Limited

Brief Biography of our Directors:

Mr. Gautam Kanjilal, aged 69 years is a Non-Executive Independent Director and Chairman holding post graduate degree in Economics. Started his career as a Probationary Officer in July 1972 at State Bank of India. In his more than 37 years of service in SBI, he handled many important administrative and business assignments covering a large matrix of banking operations, including credit management and forex. He was also posted at the corporate headquarters of SBI Capital Markets Ltd, the merchant banking arm of SBI, where his responsibilities covered project finance, debt syndication and handling capital issues. Among the important assignments he subsequently held in SBI were as AGM (Planning), Kolkata, Dy. General Manager (Accounts & Compliance) at SBI's Corporate Centre, Mumbai, Chief Executive Officer of SBI's New York operations, General Manager (Mid-Corporate), Kolkata and lastly as Chief General Manager, Delhi Circle, from which post he superannuated in September 2009.

Mr. Surender Kumar, aged 53 years, Managing Director and CEO, of our Company has 27 years of rich experience out of which he spent close to 15 years at Akzo Nobel, a global paints and specialty chemical major. He is a qualified Chartered Accountant and a keen sports enthusiast. He is a leader focused on talent management and customer strategies, R&D and innovation, reducing non-value add activities, thereby increasing the productivity of the Organization. He has keen understanding of Supply Chain Management.

Mr. Kumar is an executive with domestic and international experience in operations, finance, P&L management, multichannel product distribution and marketing. A result oriented and decisive leader with proven success in new market identification and strategic positioning of B2C and B2B businesses. He has implemented a lot of efficiency improvement initiatives. Mr. Kumar heads the overall operations including sales & marketing of our company and is responsible for steering the growth of the organization as it continues to be positioned as a strong player in the Indian paints industry.

Mr. Alok Perti, aged 66 years is a Non-Executive Independent Director holding a master's degree in physics from the University of Allahabad. Mr. Perti has also completed a master's course in Social Planning & Policy in Developing Countries from the London School of Economics and Political Science. He joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government. He was on the board of several Defence PSUs as official director when he was working as Joint Secretary in Ministry of Defence. He was also Official director on the board of CIL and NLC when he was serving in the Ministry of Coal. He was also chairman of the Expert Appraisal Committee of the Ministry of Environment and Forest for Hydro-electric and river projects. Apart from this he is also the Director General of the Indian Association of Ammonium Nitrate Manufacturers. Presently he is on the board of IIFCL Projects Ltd, which is a PSU.

Mrs. Pushpa Chowdhary, aged 46 years is Non- executive Director has over 19 years of experience in creating sales leadership and turnaround for new and underperforming product categories. She has diverse experience in sales, marketing and training with Infrastructure, Service, and Consumer Electronics industry. She is a gold medalist in executive HRM from XLRI and MBA in sales from IGNOU. She is also an ICC-UK-certified international coach, NLP-certified practitioner, FIRO-B -certified practitioner and California Institute certified counselor.

Mr. Ashok Kumar Gupta, aged 62 years is Non – executive Director and Vice Chairman holding a Master's Degree in Physics and PGDBA. He has over three decades of experience in working at senior leadership positions and at reputed organisations including SAIL, Jindal Stainless (Hisar) Limited, Surya Roshni Ltd. etc. He is presently the Managing Director of APL Apollo Tubes Limited. He worked as Whole Time Director in Jindal Stainless (Hisar) Limited till April 2018

Relationship between Directors

None of our Directors are related to each other. We further confirm that:

- we have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Director were selected as Director or member of Senior Management.
- There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

Further none of our Directors were either director on board of listed companies that have been delisted from any Stock Exchanges or hold any current and past directorship(s) during the preceding five years in listed companies whose shares have been or were suspended from being traded on BSE or NSE.

Further, none of our Directors are associated with the securities market, in any manner and there is or has been no action taken by SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

Borrowing Powers of our Board of Directors

The members of our Company has passed a resolution in Annual General Meeting on September 26, 2014, authorizing the Board of Directors of our Company to borrow from time to time all such monies as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by our Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up capital and its free reserves provided that the total amount upto which monies be borrowed by the Board of Directors shall not exceed the sum of Rs. 400 Crores at any point of time.

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and the shares held by them in our Company.

Except as stated above our Directors do not have any other interest in our business.

Corporate Governance

Corporate Governance involves the building of a set of relationships between the Company, its Board, the management, the shareholders and other stakeholders by putting in place a structure and a system through which the established goals of the Company may be achieved. It denotes the process through which the Board of Directors oversees what the management does. Good governance is integral to the existence of a Company. It inspires and strengthens investor confidence by ensuring Company's commitment to higher growth and profits. Your Company's management and Board of Directors are committed to ensure good corporate governance in its operations. Our Company has complied with the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Audit Committee

The Audit Committee was reconstituted by our Board in their meeting held on November 07, 2015 and further reconstituted on May 24, 2017. The Audit Committee presently comprises of:

Name of Member	Designation
Mr. Gautam Kanjilal	Chairman
Mr. Alok Perti	Member
Ms. Pushpa Chowdhary	Member

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Board in their meeting held on November 07, 2016 and further reconstituted on May 24, 2017. The Nomination and Remuneration Committee presently comprises of:

Name of Member	Designation
Mr. Alok Perti	Chairman
Mr. Gautam Kanjilal	Member
Ms. Pushpa Chowdhary	Member

3. Stakeholders Relationship Committee

The Stakeholder Relationship Committee was reconstituted by our Board in their meeting held on May 28, 2016 and further reconstituted on May 24, 2017. The Stakeholder Relationship Committee presently comprises of:

Name of Member	Designation
Mr. Alok Perti	Chairman

Mr. Gautam Kanjilal	Member
Ms. Pushpa Chowdhary	Member

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board in their meeting held on May 24, 2017. The Corporate Social Responsibility Committee presently comprises of:

Name of Member	Designation
Mr. Surender Kumar	Chairman
Ms. Pushpa Chowdhary	Member
Mr. Alok Perti	Member

5. Rights Issue Committee

The Rights Issue Committee was constituted by our Board in their meeting held on July 10, 2018. The Rights Issue Committee presently comprises of:

Name of Member	Designation
Ms. Pushpa Chowdhary	Chairman
Mr. Surender Kumar	Member
Mr. Alok Perti	Member

Shareholding of our Directors

As on date, none of the directors of our Company is holding shares in our Company except that Mr. Ashok Kumar Gupta holds 10,000 equity shares of face value Rs. 2/- each.

Changes in the Board of Directors in the last 3 years

Sr. No.	Name of the Directors	Designation	Date of Appointment	Date of Cessation
1.	Mr. Girish Sundar Jhunjnuwala	Director	-	12.08.2016
2.	Mr. Ratan Jindal	Director	-	28.09.2016
3.	Mr. Alok Perti	Director	24.05.2017	-
4.	Mr. Rajiv Rajvanshi	Director	-	24.05.2017
5.	Mr. Ashok Kumar Gupta	Director	10.08.2018	

Key Managerial Person

The following are Key Managerial Personnel of our Company.

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining
Surender Kumar	Managing Director	53	Chartered Accountant	27 years	30.05.2015
Sandeep Gupta	Chief Financial Officer	50	Chartered Accountant	25 years	11.02.2017
Nitin Gupta	Company Secretary	32	Company Secretary, LLB	7 years	01.02.2016

Other Senior Managerial Personnel

The following are Senior Managerial Personnel of our Company.

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining
M. Sivaram	Head Mfg Chennai	47	MSc	22 years	01.11.2017
Chinmaya Nayak	Head R&D - Industrial	44	M.Tech	18 years	14.12.2017
Konar Sodali Muthu	Head R&D Decorative	43	M.Sc	20 Years	08.01.2018
Manoj Kumar Sharma	General Manager – Supply Chain	48	MSCM	25 years	10.01.2018

Name	Designation	Age (years)	Qualification	Experience (years)	Date of Joining
Nalak Bhattacharyya	GM Mfg SKBD	56	B.Tech	29 years	01.09.2003
Manish Bhardwaj	AVP- Sales	40	B.Tech	19 years	18.12.2013
Sachin Singhal	Head Project Sales	37	BE	15 years	01.12.2017
Ashok Jade	Sr. GM-IT & Analytics	43	Post Graduate Diploma in IT	21 years	02.12.2013
Jasbir Singh Bindra	Director- Sales	55	M.Com	34 years	15.09.2017
Anmol Gagroo	Head of Marketing	30	MBA	9 years	15.06.2017
Anita Verma	Chief HR Officer	36	PGDM	14 years	01.04.2017
Suresh Nair	Vice President – Sales	45	PGDM	18 years	14.12.2017
Anil Pandey	AVP Procurement	48	B.Com, C.A Inter	23 years	02.02.2015
Minal Srivastava	Vice President - Marketing	39	PGDC	15 years	06.08.2018

All our Key & Senior Managerial Personnel are permanent employees of our Company.

Relationship between Key Managerial Personnel

None of our KMPs are related to each other. We further confirm that the service contracts entered into with our Key Management Personnel does not provide for any benefit upon termination of employment except the retirement benefits payable to them as Provident Fund, Superannuation and Gratuity as per the policies of our Company. Except the normal incentive scheme of our Company, there is no specific incentive sharing plan for the Key Managerial Personnel.

Shareholding of Key Managerial Personnel: None of our Key Managerial Personnel hold any shares in our Company except that Mr. Sandeep Gupta holds 100 equity shares of face value Rs. 2 each.

Interest of Key Managerial Personnel

No key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Employee Stock Option Scheme / Employees Stock Purchase Scheme

Presently Employee Stock Option Scheme 2013 is in place.

Payment or benefit to officers of our Company

Except the payment of salaries and perquisites, our Company does not make any payments to its officers.

OUR PROMOTERS

The Promoters of our Company are

i. Mr. Ratan Jindal



Passport No.: Z4378993 issued on September 12, 2017
PAN : AASPJ0852D
Bank A/c Details.:017201075337 with ICICI Bank Limited, Kamla Palace
Road, Red Square Market, Hisar, Haryana – 111 110

Ratan Jindal aged 57 years resident of 6 Prithvi Raj Road, New Delhi -110001, is a promoter of our Company. Mr. Jindal is a Commerce graduate from Kurukshetra University and a Graduate of the Wharton Advance Management Programme from Wharton School of Management. He is currently the Chairman and Managing Director of Jindal Stainless Limited, which is India's one of the largest integrated manufacturer of quality stainless steel. He has more than 30 years of experience in the steel industry. He serves on the board of a number of companies including Jindal Stainless (Hisar) Limited, of which he is the Non – executive Chairman.

He has also been associated with the paint industry since last 28 years and was our director from August 1990 to September 2016. He advises us on strategic management business operations and on new market developments. Mr. Ratan Jindal is holding 66,218 equity Shares of our Company in its individual capacity.

He is associated with a 600 bedded multi-specialty charitable hospital and also devotes time to oversee the functioning of two large schools.

Other Ventures:

He is also promoter of Jindal Stainless Limited, Jindal Stainless (Hisar) Limited, Nalwa Sons Investments Limited. All these three companies are listed companies. Besides these, he is also promoter of unlisted companies viz Mansarover Investments Limited, Jindal Equipment Leasing and Consultancy Services Limited and Nalwa Investments limited. He is also Karta of R.K Jindal & Sons (HUF).

Other Directorships:

Currently, he is the Chairman and Managing Director of Jindal Stainless Limited, and Non-executive Chairman of Jindal Stainless (Hisar) Limited. He is also a Director on the Board of Directors of Sonabheel Tea Limited, Jindal Coke Limited, Jindal Industries Private Limited, Jindal United Steel Limited, Om Project Consultants and Engineers Limited, Nalwa Fincap Limited, Nalwa Financial Services Limited and OPJ Investments and Holdings Limited. He is also on the board of directors of foreign companies viz Jindal Stainless Mauritius Limited, Jindal Stainless UK Limited, Jindal Stainless FZE Limited and JSL Group Holdings PTE. Limited.

ii. Hind Strategic Investments

PAN No. AABCH7462B

Bank Account No. – 000444521682, Mauritius Commercial Bank Limited

Hind Strategic Investments earlier a firm, was incorporated vide certificate dated February 10, 1995 of Registrar of Companies, Mauritius as a Private Company limited by shares, having its registered office at Les Cascades Building Edith Cavell Street Port Louis – Mauritius. The principal activity of the Company is to hold investments. Hind Strategic Investments is holding 58, 41,570 equity shares of our Company.

Promoters of Hind strategic Investments are two trusts, i.e Ranisati Trust and Sundar Vanch Trust. Both the trusts were formed on July 08, 2004 with an object to hold investment under trust. The details of the trusts and beneficiaries are given below:

Name of the Trust	Beneficiaries
Ranisati Trust – Trustee is Pitar Dev (PTC) Limited	<ul style="list-style-type: none">• Ritu Jhunjhnuwala• Gaurang Jhunjhnuwala
Sundar Vanch Trust – Trustee is Rigasu (PTC) Limited	<ul style="list-style-type: none">• Sarika Jhunjhnuwala

	<ul style="list-style-type: none"> • Shivang Jhunjhnuwala • Avisha Jhunjhnuwala • Avni Jhunjhnuwala
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There was no change in the control or management of Hind Strategic Investments in last three financial year.

Board of Directors

- Mr. Surya Kumar Jhunjhnuwala
- Mr. Girish Sundar Jhunjhnuwala
- Mrs. Ritu Jhunjhnuwala
- Mr. Praveen Beeharry
- Mr. Sandeep Fakun

Shareholding Pattern (As on September 30, 2018)

S. No.	Name of the Shareholder	Number of Shares	% of Shareholding
1.	Ranisati Trust – Trustee is Pitar Dev (PTC) Limited	5,000	50.00
2.	Sundar Vanch Trust – Trustee is Rigasu (PTC) Limited	5,000	50.00
	Total	10,000	100.00

Financial performance

The audited financial results of Hind Strategic Investments for the financial years ended December 31 2017, 2016, and 2015, are set forth below.

(In USD millions)

Particulars	December 31, 2017	December 31, 2016**	December 31, 2015**
Revenue*	13.60	1.05	1.38
Net profit / (loss) after tax	13.25	0.83	1.14#
Equity Share Capital	0.01	0.01	0.01
Preference Share Capital	-	-	-
Retained Earnings	32.17	18.91	18.08
Net Worth	32.18	18.92	18.09
Book Value (in USD) of face value 1 each	3,218.07	1,892.74	1,809.28

*Revenue in FY 2017 and FY 2016 includes unrealized gain on fair valuation of financial assets amounting to USD12.96 Million and USD 0.92 Millions respectively.

** While filing the Letter of Offer dated March, 22, 2018 for the earlier Rights Issue of our Company, by an inadvertence, the financial data pertaining to the period 2015 of our Promoter HSI was shown as data pertaining to the period 2016.

excluding comprehensive loss of USD 1.45 Millions in FY 2015.

Other confirmation

We confirm that the details of the permanent account numbers, bank account numbers and Passport of our promoters have been submitted to the Stock Exchanges at the time of filing the Draft Letter of Offer with the Stock Exchanges. Our Promoters have informed that they have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoters have certified that there is no outstanding litigation, proceedings, disputes, defaults, non-payment of statutory dues including disputed / contested tax liabilities, overdues to banks / financial institution and that there is no proceedings initiated against them for any criminal / civil / economic / any other offences (including past cases) against them.

No disciplinary action / investigation has been taken in the last 3 years by the Securities and Exchange Board of India (SEBI) / Stock Exchange against our individual promoter or other entities where he is associated as a Director / Promoter / Partner / Proprietor.

Our Promoter was not a director of any company whose shares were suspended from trading by BSE/NSE under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority during his association with the

said company. He is / was not a director of any entity, whose shares were delisted from any BSE/NSE under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority during the period of his association with it as a director.

Common Pursuits

None of the Promoters are engaged in activities similar to our business.

Interest of Promoter

Our Promoters shall be deemed as interested to the extent of Equity Shares held by them or by the companies / firms / ventures promoted by him/them, if any and dividend or other distributions payable to him in respect of the said Equity Shares. Except as stated above and in the section titled “Financial Statements” on page 79 of the Letter of Offer, and to the extent of shareholding in our Company, our Promoters does not have any other interest in our business.

Related party transactions

For details of related party transactions refer to “Financial Statements” on page 79 of the Letter of Offer.

FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report To The Members of Shalimar Paints Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shalimar Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

- (i) The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by previous auditors whose reports for the year ended 31st March, 2017 and 31st March, 2016 dated 24th May, 2017 & 28th May, 2016 respectively, expressed an unmodified opinion on those standalone financial statements. The said financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
- (ii) As per information and explanation furnished to us, the insurance claims of loss for damage of immovable & movable assets due to fire in Company's plants/units located at Howrah & Nashik, are yet to be assessed by the Insurer & claim have been accounted for on estimated basis. (Note 52 of standalone financial statements).
- (iii) Some of the financial assets & liabilities including trade receivables, trade payables & advances are pending confirmation /reconciliation, and their impact on financial statements, if any, is unascertained. (Note 58 of standalone financial statements)

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Note 40 to the standalone Ind AS financial statements)

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

2. As required by the Companies (Auditors' Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Gurugram

Date: 23rd May, 2018.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Arun Kumar Dubey
Partner
Membership No.- 057141

Annexure “A” to the independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Shalimar Paints Limited (“the Company”) as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place: Gurugram
Date: 23rd May, 2018.

Arun Kumar Dubey
Partner
Membership No.- 057141

Annexure “B” to the independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Due to fire in Company’s Howrah Plant/unit during financial year 2013-14 & Nashik Plant/unit during financial year 2016-17, there has been significant damage its fixed assets comprising Building, Plant & Machineries, etc situated therein. The Company has a regular programme/policy of physical verification of its fixed assets included in Property, Plant & Equipments (PPE) by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As per the policy, certain fixed assets, excluding damaged, as stated above, were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us on test basis, we report that, the title deeds in respect of freehold immovable properties of land and buildings, are held in the name of the Company as at the Balance Sheet date. In respect of leasehold immovable properties, the lease agreements are in the name of the Company.
- ii. The inventory,(except goods-in-transit, stocks lying with third parties& stock ,burnt/damaged due to fire in Howrah & Nashik Plants), have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations, obtained by the management have been verified by us, on test basis. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. The Company is to receive Rs 699.90 lakh (previous year Rs 672.74 lakh) is from its subsidiary, Shalimar Adhunik Nirman Limited (SANL) which is shown under the head ‘Loans (Non-current) under sub head Loan to Related parties’ in Note 9 of the Financial Statement. The said Loan includes Rs 492.00 lakh (Note 50), being consideration money for transfer of Land by the Company to SANL, and the same is interest free. The terms and conditions of said advances are not prejudicial to the Company’s interest.

As per information & explanation given to us the repayment schedule is being adhered to so far as it relates to payment of principal & interest whenever, they fall due. There is no overdue amount of loan & interest.

Except loan and advances to the aforesaid subsidiary, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to information and explanations given to us, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 & 186 of the Companies Act, 2013, to the extent applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection, and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable, except as tabled below:-

Sl. No	Nature of dues	Amount due (Rs, lakh)
1	Value Added Tax (VAT)	185.28
2	Central Sales Tax(CST)	6.08
3	Entry Tax	7.20
		198.56

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Amount Involved (Rs, lakh)
Excise Act	Excise Duty	Various Assessing, Appellate & Tribunal Authorities	855.95
Income Tax Act	Income Tax	Various Assessing, Appellate, Tribunal Authorities	62.73
Sales Tax Act	Central Sales Tax & VAT	Various Assessing, Appellate, Tribunal & Revision Board Authorities	1636.51

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government, except as stated in Note 25 of the to the standalone Ind AS financial statements. The Company did not have any outstanding debentures during the year.

ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) According to information & explanation given to us, the term loans are applied for the purposes for which those are raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company & accordingly, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable; and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures; hence, reporting under Clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him; hence, provisions of Section 192 of the Companies Act, 2013 & Clause (xv) of the Order are not applicable.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Hence, Clause (xvi) of the Order are not applicable.

For A K Dubey & Co.

Chartered Accountants
Firm Registration No. 329518E

Place: Gurugram
Date: 23rd May, 2018.

Arun Kumar Dubey
Partner
Membership No- 057141

SHALIMAR PAINTS LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018

(Rs. Lakhs)				
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I ASSETS				
1 Non-current assets				
a) Property, Plant and Equipment	5	22,061.10	19,260.48	20,217.40
b) Capital work-in-progress	6	66.70	1,373.99	553.15
c) Intangible assets	7	175.05	185.37	257.18
d) Financial Assets				
i) Investments	8	73.10	68.69	83.77
ii) Loans	9	904.34	878.93	864.96
iii) Other financial assets	10	41.77	22.14	-
e) Deferred tax assets (net)	11	290.99	-	-
f) Other non-current assets	12	21.10	760.75	408.01
2 Current assets				
a) Inventories	13	7,400.65	9,255.34	11,092.13
b) Financial Assets				
i) Investments	14	-	291.89	-
ii) Trade receivables	15	10,583.86	12,469.95	14,324.19
iii) Cash and cash equivalents	16.1	1,551.91	808.22	859.98
iv) Bank balances other than (iii) above	16.2	357.00	364.63	36.17
v) Other financial assets	17	2,409.64	3,614.91	1,607.38
c) Current Tax Assets (Net)	18	277.78	312.43	306.94
d) Other current assets	19	1,499.22	1,792.11	1,862.13
Total Assets		47,714.21	51,459.83	52,473.39
II EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	20	378.93	378.93	378.93
b) Other Equity	21	11,727.64	16,292.74	17,210.58
LIABILITIES				
1 Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	22	2,494.44	2,367.07	3,356.71
ii) Trade payables				
iii) Other financial liabilities	23	22.73	27.60	30.38
b) Provisions	24	670.62	674.83	639.39
c) Deferred tax liabilities (Net)	11	-	1,880.02	2,402.18
d) Other non-current liabilities				
2 Current liabilities				
a) Financial Liabilities				
i) Borrowings	25	15,003.11	13,712.77	12,424.18
ii) Trade payables	26	13,951.75	12,904.98	12,519.33
iii) Other financial liabilities	27	1,714.55	2,040.27	2,450.33
b) Other current liabilities	28	1,558.77	1,051.68	924.24
c) Provisions	29	191.67	128.94	137.14

Total Equity and Liabilities		47,714.21	51,459.83	52,473.39
Overview and Significant Accounting Policies	1-4			
Accompanying notes form an integral part of the financial statements.				

As per our report of event date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of Board of Directors

Anup Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director & CEO
DIN: 00510137

Pushpa Chowdhary
Director
DIN: 06877982

Place: Gurugram
Date: May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
M. No. F8485

SHALIMAR PAINTS LIMITED
STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In lakhs)

	Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I.	Revenue from Operations	30	27,773.78	39,411.28
II.	Other Income	31	90.18	219.85
III.	Total Revenue (I + II)		27,863.96	39,631.13
IV.	EXPENSES			
	Cost of materials consumed	32	13,874.41	19,056.67
	Purchases of Stock-in-trade	33	5,161.59	4,204.23
	Changes in inventories of finished goods, Stock-in-trade and work-in-progress	34	1,583.03	1,098.58
	Excise Duty		655.12	4,433.06
	Employee benefits expense	35	3,940.86	3,532.28
	Finance Costs	36	2,591.77	2,257.13
	Depreciation and amortization expense	37	786.37	812.77
	Other expense	38	5,977.86	5,733.67
	Total Expenses		34,571.01	41,128.39
V.	Profit/(Loss) before exceptional items and tax (III-IV)		(6,707.05)	(1,497.26)
VI.	Exceptional Items		-	-
VII.	Profit/(Loss) before tax (V- VI)		(6,707.05)	(1,497.26)
VIII.	Tax expense:	39		
	(1) Current Tax		-	-
	(2) Deferred Tax		(2,165.41)	(536.02)
IX.	Profit/(Loss) for the Year (VII- VIII)		(4,541.64)	(961.24)
X.	Other Comprehensive Income			
	(I) Items that will not be classified to profit or loss		(18.13)	44.87
	(ii) Income tax effects on above		(5.60)	13.86
	Total Other Comprehensive Income/(Loss) for the year (i)-(ii)		(12.53)	31.01
XI.	Total Comprehensive Income/(loss) for the year (IX+X)		(4,554.17)	(930.23)
XII.	Earnings per equity share of Rs 2/- each	41		
	1) Basic (in rupees)		(23.97)	(5.07)
	2) Diluted (in rupees)		(23.97)	(5.07)
	Overview and Significant Accounting Policies	1-4		

Accompanying notes form an integral part of the financial statements.

As per our report of event date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of Board of Directors

Anup Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director & CEO
DIN: 00510137

Pushpa Chowdhary
Director
DIN: 06877982

Place: Gurugram
Date: May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
M. No. F8485

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. Lakhs)		
PARTICULARS	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(6,707.05)	(1,497.26)
<i>Adjustments for:</i>		
Depreciation, amortization and impairment expenses	786.37	812.77
Net (Gain) / Loss on Sale of Property, Plant & Equipment	3.68	76.66
Net (Gain) / Loss on Sale/ Fair valuation of Investment	(7.84)	(30.01)
Bad debts/Provision for doubtful Debts Written Back	30.59	(40.00)
Employee stock option expenses	(7.20)	13.08
Finance Costs	2,591.77	2,257.13
Interest Income	(67.42)	(28.22)
Operating Profit/(loss) before Working Capital changes	(3,377.10)	1,564.15
<i>Adjustments for:</i>		
Trade Receivables & Other receivable	3,333.13	(58.38)
Inventories	1,854.68	1,836.79
Trade & other Payables	1,707.54	78.61
Cash generated (used) in /from Operations before tax	3,518.25	3,421.17
Direct Taxes (paid)/refund (net)	34.65	(5.49)
Net cash flow (used) in/ from Operating Activities	3,552.90	3,415.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(1,446.76)	(1,354.20)
Proceeds from sale of Property, Plant & Equipment	74.03	345.93
Acquisition of Investments		(1,200.00)
Sale of Investment	295.32	953.20
Interest/other income Received	58.83	28.67
Movement in Margin money/Fixed deposits	(14.92)	(352.34)
Net cash flow (used) in/ from Investing Activities	(1,033.50)	(1,578.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings		
Proceeds from /(repayment) of Borrowings (net)	833.20	348.09
Finance Costs	(2,608.91)	(2,236.79)
Net cash (used) in/ from Financing Activities	(1,775.71)	(1,888.70)
Net cash (used) in/ from Operating, Investing & Financing Activities	743.69	(51.76)
Opening balance of Cash and Cash equivalent	808.22	859.98
Closing balance of Cash & Cash equivalent	1,551.91	808.22
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note 16.1):-		
i) Cash Balance on Hand	3.17	4.90
ii) Balance with Banks :		
-In Current Accounts	1,522.28	186.29
-Cheques/draft in hand	19.80	615.30
-Bank deposits with maturity of less than 3 months	6.66	1.73
Total	1,551.91	808.22

As per our report of event date

For A. K. Dubey & Co., For and on behalf of Board of Directors
Chartered Accountants
(Firm Regn. No. 329518E)

Anup Kumar Dubey
Partner
(M. No. 057141)

Place: Gurugram
Date: May 23, 2018

Surender Kumar
Managing Director & CEO
DIN: 00510137

Sandeep Gupta
Chief Financial Officer

Pushpa Chowdhary
Director
DIN: 06877982

Nitin Gupta
Company Secretary
M. No. F8485

SHALIMAR PAINTS LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital	Amount (Rs. In Lakhs)
Equity Share Capital as on 1 st April 2016	378.93
Movement during the year 2016-17	-
Equity Share Capital as on 31st March 2017	378.93
Movement during the year 2017-18	-
Equity Share Capital as on 31st March 2018	378.93

B Other equity

(Rs. In lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2016 (Ind AS)	961.10	27.27	3,758.51	12,463.70	-	17,210.58
-Profit or Loss for the year				(961.24)		(961.24)
-Other comprehensive income for the year					31.01	31.01
-Movement during the year		12.39				12.39
Balance as at March 31, 2017	961.10	39.66	3,758.51	11,502.46	31.01	16,292.74
-Profit or Loss for the year				(4,541.64)		(4,541.64)
-Other comprehensive income for the year					(12.53)	(12.53)
-Movement during the year		(10.93)				(10.93)
Balance as at March 31, 2018	961.10	28.73	3,758.51	6,960.82	18.48	11,727.64

As per our report of event date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of Board of Directors

Anup Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director & CEO
DIN: 00510137

Pushpa Chowdhary
Director
DIN: 06877982

Place: Gurugram
Date: May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
M. No. F8485

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Overview

Shalimar Paints Limited (“the Company”) is a public limited company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Company has pan-India presence through its marketing offices in all major states in India.

2. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (‘the Act’) and other relevant provisions of the Act to the extent applicable.

For all periods up to and including the year ended 31st March 2017, the Company had prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as ‘Indian GAAP’).

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 ‘First-time adoption of Indian Accounting Standards’. The transition was carried out from accounting principles generally accepted in India (‘Indian GAAP’) which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2016 and March 31, 2017 and on the net profit and material adjustments to cash flows for the year ended March 31, 2017 is disclosed in Note 61 to these financial statements.

The standalone financial statements provide comparative information in respect of previous year. In addition, the company presents balance sheet as at the beginning of previous year which is the transition date to Ind AS.

3. Key Accounting Judgements, Estimates & Assumptions:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Income Tax

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets/ liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

Defined Benefit Obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected

residual value at the end of its life. The residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically.

4. Significant Accounting Policies

4.1) Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1st April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

4.2) Property, plant and equipment

i) Recognition and measurement

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment (PPE) on the date of transition.

An asset is recognised as property, plant and equipment when it qualifies the recognition criteria as specified in Ind AS 16. Following initial recognition, items of Property, Plant and Equipment are carried at its cost, net of available duty/tax credits, less accumulated depreciation and accumulated impairment losses if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Costs in nature of minor repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from discard/sale of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded / sold.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

ii) Depreciation

Depreciation on property, plant and equipment is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value:

- a) In respect of assets located at Nashik, Chennai and Sikandrabad – on straight line method.
- b) In respect of other assets – on written down value method.

Subsequent to fair value as deemed cost of property, plant and equipment as at 1st April 2016 under Ind AS 101, depreciation is charged on fair valued amount less estimated salvage value.

Leasehold land is amortized on a straight line basis over the remaining period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

4.3) Intangible assets

i) Recognition & measurement:

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized over the estimated useful economic life as per following manner:

- a) In respect of assets located at Nashik, Sikandrabad & Chennai – on straight line method.

b) In respect of other assets – on written down value method.

The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer Software	6 years
Trade mark	10 Years
Technical know how	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

ii) Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

4.4) Impairment

The carrying amount of Property, Plant & Equipment, Intangible assets and cash generating assets are reviewed at each Balance Sheet date to assess impairment, if any based on internal / external factors. An asset is treated as impaired when the carrying cost of asset or exceeds its recoverable value being higher of value in use and fair value less cost of disposal. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been an improvement in recoverable amount.

4.5) Lease Accounting

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

4.6) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added/deducted respectively to the fair value on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

ii) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are recognised in OCI except the recognition of impairment gains or losses, interest revenue calculated using the Effective Interest Rate (EIR) method and foreign exchange gains and losses which are recognised in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. Financial liabilities at fair value through profit and loss (FVTPL) includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

iii) Impairment of financial assets

Financial assets, other than debt instruments measured at FVTPL and Equity instruments are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on all financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

iv) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

v) Reclassification of Financial Assets and Financial Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

vi) Derivative financial instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.7) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

4.8) Inventory

Inventory are valued at lower of cost, computed on weighted average basis, or net realizable value. Cost of inventories includes in case of raw material, cost of purchase including taxes and duties net of tax credits/GST and incidental expenses; in case of work-in-progress, estimated direct cost including taxes and duties net of cenvat credits and appropriate proportion of administrative and other overheads; in case of finished goods, estimated direct cost including taxes and duties net of tax credits/GST and appropriate administrative and other overheads including other cost incurred in bringing the inventories to the present location and conditions; and in case of traded goods, cost of purchase and other costs incurred in bringing the inventories to the present location and conditions. The obsolete/damaged items of inventories are valued at estimated realisable value.

4.9) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote or the amount cannot be estimated reliably. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

4.10) Revenue Recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates granted by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account.

Amounts collected on behalf of third parties such as sales tax, value added tax and goods & service tax are excluded from revenue.

4.11) Other income

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

4.12) Employee Benefits

i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii) The Company makes regular contribution to provident funds which are administered by Government and are independent of Company's finance. The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

iii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund, and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.

For Schemes where recognized funds have been set up, annual contributions are made as determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. Remeasurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to Other Comprehensive Income in period in which they arise. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

iv) Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Statement of Profit and Loss.

4.13) Foreign Exchange Transactions

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are initially recorded in the functional currency (i.e. Indian Rupees) at rates prevailing at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates and the resulting exchange difference recognised in statement of profit & loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

4.14) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

4.15) Taxes on Income

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided on temporary difference arising between the tax bases of assets & liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rate that are expected to apply in the year when the asset is realized or the liability is settled based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and the carry forward unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

4.16) Segment Reporting

As the company's business falls within a primary business segment viz, "Paints".

4.17) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.18) Share-based payment transactions

Equity-settled share -based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

4.19) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5 PROPERTY, PLANT & EQUIPMENT

(Rs. Lakhs)								
Particulars	Land- Free hold	Land- Lease hold	Buildings	Plant & Machinery*	Furniture & Fixture	Motor Vehicles	Office Equipments	Total
Gross carrying value (Cost/Deemed cost)								
As at April 01, 2016	9,736.52	1,690.95	6,658.49	1,831.94	209.42	12.78	77.30	20,217.40
Additions	-	-	7.65	134.04	2.30	-	32.72	176.71
Disposals	-	-	(193.93)	(156.23)	(104.39)	-	(1.25)	(455.80)
Balance as at March 31, 2017	9,736.52	1,690.95	6,472.21	1,809.75	107.33	12.78	108.77	19,938.31
Additions	-	-	1,829.54	1,676.54	7.52	16.73	70.07	3,600.40
Disposals	-	-	(75.18)	-	-	-	-	(75.18)
As at March 31, 2018	9,736.52	1,690.95	8,226.57	3,486.29	114.85	29.51	178.84	23,463.53
Depreciation								
Depreciation for the year 16-17	-	25.62	295.51	312.93	60.87	4.82	38.59	738.34
Disposals	-	-	(12.01)	(22.50)	(25.71)	-	(0.29)	(60.51)
Balance as at March 31, 2017		25.62	283.50	290.43	35.16	4.82	38.30	677.83
Depreciation for the year 17-18	-	25.62	352.90	298.90	18.34	3.31	31.83	730.90
Disposals	-	-	(6.30)	-	-	-	-	(6.30)
As at March 31, 2018		51.24	630.10	589.33	53.50	8.13	70.13	1,402.43
Net carrying value								
Balance as at March 31, 2016	9,736.52	1,690.95	6,658.49	1,831.94	209.42	12.78	77.30	20,217.40
Balance as at March 31, 2017	9,736.52	1,665.33	6,188.71	1,519.32	72.17	7.96	70.47	19,260.48
Balance as at March 31, 2018	9,736.52	1,639.71	7,596.47	2,896.96	61.35	21.38	108.71	22,061.10

*including expenditure on research & development activities, incurred during the year is Rs. 4.28 Lakhs (previous year Rs. 0.32 Lakhs).

6 CAPITAL WORK IN PROGRESS

Capital Work in Progress	(Rs. Lakhs)
Balance at April 1, 2016	553.15
Balance at March 31, 2017	1,373.99
Balance at March 31, 2018	66.70

6.1 Statement showing the details of expenditure during trial run forming part of capital work in progress: (Rs. Lakhs)

Particulars	Year ended March 31, 2018
Raw Material Consumed	261.00
Consumption of Power & Fuel	23.36
Consumption of Stores & Spare	4.25
Salary & Wages	78.83
Contribution to PF & Other Funds	2.15
Staff Welfare Expenses	5.54
Rent	4.75
Repair & Maintenance	2.04
Travelling expenses	7.79
Bank Charges	0.07
Consultancy Charges	14.07
Miscellaneous Expenses	7.68
	411.53
Less:	
Sale of Products - Finished goods	299.76

	111.77
Less: Capitalised/transfer	111.77
Net Balance	-

7 INTANGIBLE ASSETS

(Rs. lakhs)				
Particulars	Computer & Software	Technical Know How	Trade Mark	Total
Gross carrying value (Cost/Deemed cost)				
As at April 01, 2016	138.93	68.47	49.78	257.18
Additions	2.62			2.62
Disposals				-
Balance as at March 31, 2017	141.55	68.47	49.78	259.80
Additions	45.15	-	-	45.15
Disposals				-
Balance as at March 31, 2018	186.70	68.47	49.78	304.95
Amortization				
Charge for the year	52.70	8.29	13.44	74.43
Disposals				-
Balance as at March 31, 2017	52.70	8.29	13.44	74.43
Additions	41.00	4.66	9.81	55.47
Disposals				-
Balance as at March 31, 2018	93.70	12.95	23.25	129.90
Net Carrying Value				
Balance at April 1, 2016	138.93	68.47	49.78	257.18
Balance at March 31, 2017	88.85	60.18	36.34	185.37
Balance at March 31, 2018	93.00	55.52	26.53	175.05

8 INVESTMENTS NON-CURRENT

(Rs. lakhs)							
Particulars		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No. of Shares/units	Amount	No. of Shares/units	Amount	No. of Shares/units	Amount
8.1 Investment in Equity Instruments							
Unquoted shares							
Investment in wholly-owned subsidiary companies at Cost							
Shalimar Adhunik Nirman Ltd.							
Fully paid up shares of Rs.10 each		49,990	5.00	49,990	5.00	49,990	5.00
Partly paid up shares @ Rs.1 each (Share of Rs.10 each)		4,50,000	4.50	4,50,000	4.50	4,50,000	4.50
Equity Component of 6% Non cumulative, non convertible Redeemable Preference Shares of Rs. 100 each			13.95		13.95		13.95
Eastern Speciality Paints & Coatings Pvt Ltd.							
Fully paid up shares of Rs.10 each		50,000	5.00	50,000	5.00	50,000	5.00
TOTAL			28.45		28.45		28.45
8.2 Investment in Mutual Fund at Fair Value through Profit & Loss Quoted							
(i) UTI Infrastructure Fund -Growth		-	-	-	-	50,925	19.04
TOTAL		-	-	-	-		19.04
8.3 Investment in Debentures carried at Amortised Cost Unquoted							
1/2% Woodland Medical Centre Ltd.			0.06		0.06		0.06
5% Woodland Medical Centre Ltd.			0.17		0.17		0.17
TOTAL			0.23		0.23		0.23
8.4 Investment in Preference Shares in wholly-owned subsidiary companies- Fair Value through Profit & Loss							
Unquoted							
(i) Shalimar Adhunik Nirman Ltd.							
6% Non cumulative, non convertible Redeemable Preference Shares of Rs. 100 each (Fully paid up)		50,000	44.42	50,000	40.01	50,000	36.05
TOTAL			44.42		40.01		36.05

GRAND TOTAL		73.10		68.69		83.77
Aggregate amount of quoted investments		-		-		19.04
Market value of quoted investments		-		-		19.04
Aggregate amount of unquoted investments		73.10		68.69		64.73
Aggregate amount of impairment in value of investments		-		-		-

9 LOANS- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	(Unsecured, considered good)		
Security Deposits	204.14	206.10	243.75
Loan to related parties(refer note 47& 50)	700.20	672.83	621.21
TOTAL	904.34	878.93	864.96

10 OTHER FINANCIAL ASSETS- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	(Unsecured, considered good)		
Bank Balance more than 12 Month Maturity	41.77	22.14	-
TOTAL	41.77	22.14	-

11 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(Rs. lakhs)				
Particulars	As at April 1, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
-Carry Forward Losses/Unabsorbed depreciation	955.14	2,261.58		3,216.72
-Disallowance under section 43B	28.18	17.51		45.69
-Other Ind AS adjustment	5.76	-5.76		0
-Remeasurements of the defined benefit plans	-		5.60	5.60
Sub- Total (a)	989.08	2,273.33	5.60	3,268.01
Deferred Tax Liabilities				
-Fixed assets	-2,865.89	-108.54		-2,974.43
-Fair valuation of investment	-3.21	0.62		-2.59
Sub- Total (b)	-2,869.10	-107.92	-	-2,977.02
Less: MAT Credit Available				
Net Deferred Tax Assets/ (Liability) (a)+(b)	-1,880.02	2,165.41	5.60	290.99
Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	As at March 31, 2017
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
-Carry Forward Losses/Unabsorbed depreciation*	641.90	313.24		955.14
-Disallowance under section 43B	29.02	-0.84		28.18
-Provision for doubtful debt and advances	12.36	-12.36		-
-Fair valuation of investment	0.30	-0.30		-
-Other Ind AS adjustment	3.02	2.74		5.76
-Remeasurements of the defined benefit plans	-	13.86	-13.86	-
Sub- Total (a)	686.60	316.34	-13.86	989.08
Deferred Tax Liabilities				
-Fixed assets	-3,088.78	222.89		-2,865.89
-Fair valuation of investment	-	-3.21		-3.21
Sub- Total (b)	-3,088.78	219.68	-	-2,869.10
Less: MAT Credit Available				
Net Deferred Tax Assets/ (Liability) (a)+(b)	-2,402.18	536.02	-13.86	-1,880.02

12 OTHER NON CURRENT ASSETS

(Rs. lakhs)				
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Capital Advances	21.10	760.75	408.01	
TOTAL	21.10	760.75	408.01	

13 INVENTORIES

(at cost or net realisable value, whichever is lower)				(Rs. lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		
Raw Material					
Inventories	1,338.57	1,525.07	2,231.06		
Goods in Transit	4.07	52.94	129.17		
Work- in –Progress	213.45	156.52	326.38		
Finished Goods					
Inventories [including trading goods Rs. 543.51 Lakhs (P.Y Rs. 736.59 Lakhs)]	5,477.60	7,085.21	7,959.46		
Goods in Transit	243.03	275.37	329.85		
Stores & spares	123.93	160.23	116.21		
TOTAL	7,400.65	9,255.34	11,092.13		

14 INVESTMENTS (CURRENT)

(Rs. lakhs)						
Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares/units	Amount	No. of Shares/units	Amount	No. of Shares/units	Amount
Investment in Mutual Fund - Fair Value through Profit & Loss						
Quoted						
(i) UTI Infrastructure Fund -Growth	-	-	16,000.36	291.89	-	-
	-	-	-	291.89	-	-
Aggregate amount of quoted investments	-	-	-	291.89	-	-
Market value of quoted investments	-	-	-	291.89	-	-

15 TRADE RECEIVABLES

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured			
-Considered Good	10,583.86	12,469.95	14,324.19
-Considered Doubtful	-	-	40.00
	10,583.86	12,469.95	14,364.19
Less: Provision for bad and doubtful receivable	-	-	-40.00
TOTAL	10,583.86	12,469.95	14,324.19

16.1 CASH AND CASH EQUIVALENTS

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
16.1 Balance with banks			
On Current Accounts	1,522.28	186.29	99.15
Cash on hand	3.17	4.90	11.51
Cheque, drafts on hand	19.80	615.30	749.32
Bank deposits with maturity of less than 3 months	6.66	1.73	-
TOTAL	1,551.91	808.22	859.98
16.2 Bank Balance other than Cash and Cash Equivalents			
Unpaid dividend	7.09	10.01	11.75
Margin Money	19.46	9.85	6.96
Fixed Deposit Account	330.45	344.77	17.46
TOTAL	357.00	364.63	36.17

17 OTHER FINANCIAL ASSETS- CURRENT

(Rs. lakhs)				
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Other Receivables(refer note 52)	2,399.37	3,613.23	1,605.25	
Interest accrued	10.27	1.68	2.13	
Security Deposit	-	-	-	
TOTAL	2,409.64	3,614.91	1,607.38	

18 CURRENT TAX ASSETS/(LIABILITIES) (NET)

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax	2,809.28	2,843.93	2,838.44
Less: Provision for Income Tax	2,531.50	2,531.50	2,531.50
TOTAL	277.78	312.43	306.94

19 OTHER CURRENT ASSETS

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances other than capital advances			
Advances to suppliers	269.81	306.37	209.32
Others			
Advance to employee	5.37	32.11	37.41
Prepaid expenses	182.68	131.90	227.44
Balance With Govt. Authorities & Others	872.78	1,147.56	1,209.37
Other receivable	168.58	174.17	178.59
TOTAL	1,499.22	1,792.11	1,862.13

20 EQUITY SHARE CAPITAL

(Rs. lakhs)						
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016			
Authorised						
4,00,00,000 (31st March,2017: 4,00,00,000 and 1st April, 2016: 4,00,00,000) equity shares of Rs. 2/- each	800.00	800.00	800.00			
Issued,subscribed and fully paid up						
1,89,45,975 (31st March,2017: 1,89,45,975 and 1st April, 2016: 1,89,45,975) equity shares of Rs. 2/- each	378.92	378.92	378.92			
Share Forfeiture Account	0.01	0.01	0.01			
	378.93	378.93	378.93			
Notes:						
(i) Reconciliation of number of shares and share capital outstanding at the beginning and end of the year						
Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	1,89,45,975	378.92	1,89,45,975	378.92	1,89,28,100	378.56
Add: Shares issued	-	-	-	-	17,875	0.36
Number of shares at the end	1,89,45,975	378.92	1,89,45,975	378.92	1,89,45,975	378.92
(ii) Rights, preferences and restrictions attached to shares						
The Company has one class of equity shares having a par value of Rs 2 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion to their shareholding.						
(iii)	During the five years immediately preceding 31st March, 2018, the Company has not allotted any equity shares as bonus shares and also not issued any share for consideration other than cash.					
(iv) Details of shareholders holding more than 5% shares in the Company						
Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	% of shares held	Number of shares	% of shares held	Number of shares	% of shares held
Hind Strategic Investments Ltd.	58,41,570	30.83%	58,41,570	30.83%	58,41,570	30.83%
Hexa Securities and Finance Co. Ltd.	15,00,000	7.92%	15,00,000	7.92%	15,00,000	7.92%
Nalwa Sons Investments Ltd (Formerly Jindal Strips Ltd.)	13,72,590	7.24%	13,72,590	7.24%	13,72,590	7.24%
Colorado Trading Company Ltd.	12,24,635	6.46%	12,24,635	6.46%	12,24,635	6.46%

Nalwa Investments Ltd.	11,93,855	6.30%	11,93,855	6.30%	11,93,855	6.30%
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The Company does not have any holding / ultimate holding company.

(v) 35,52,370 equity shares of face value Rs. 2/- each have been allotted on 27th April 2018 at the price of Rs. 140/- per share (including premium Rs. 138/-per shares) aggregating to Rs. 4,973.32 lakhs, approved by the Board of Directors in their meeting held on March 22, 2018, to the eligible equity shareholders on right basis in the ratio of 6 equity shares for every 32 equity shares.

21 Other equity

(Rs. lakhs)						
Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2016 (Ind AS)	961.10	27.27	3,758.51	12,463.70	-	17,210.58
-Profit or Loss for the year				(961.24)		(961.24)
-Other comprehensive income for the year					31.01	31.01
-Movement during the year		12.39				12.39
Balance as at March 31, 2017	961.10	39.66	3,758.51	11,502.46	31.01	16,292.74
-Profit or Loss for the year				(4,541.64)		(4,541.64)
-Other comprehensive income for the year					(12.53)	(12.53)
-Movement during the year		(10.93)				(10.93)
Balance as at March 31, 2018	961.10	28.73	3,758.51	6,960.82	18.48	11,727.64

22 NON-CURRENT BORROWINGS

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term Loans :			
- from Banks	219.30	1,048.51	1,878.46
- from Financial Institutions (refer note 54)	2,147.77	2,314.45	2,425.00
- from others (vehicle loan)	18.40	-	-
	2,385.47	3,362.96	4,303.46
Less: Current Maturity of Long term Debt (refer note 27)	411.38	995.89	946.75
	1,974.09	2,367.07	3,356.71
Unsecured			
- from related party in foreign currency (refer note 47)	520.35	-	-
	520.35	-	-
TOTAL	2,494.44	2,367.07	3,356.71

SECURITY

Term Loans from banks

Loans of Rs. 75.30 lakhs (March 31, 2017 Rs. 376.51 lakhs), ROI 10.95%, taken from HDFC Bank Ltd, originally repayable in 45 monthly installments, rescheduled to 11 Quarterly installments, starting from 29.11.2015 and ending on 29.05.2018 and Loans of Rs. 144.00 lakhs (March 31, 2017 Rs. 672.00 lakhs), ROI 11.25 %, taken from State Bank of India, repayable in 28 monthly installments starting from 30.04.2016 and ending on 31.07.2018.

Above loans are secured by (i) first charge, ranking pari passu, by way of an equitable mortgage on the land and building, and hypothecation of other fixed assets thereon, at the Company's factory at Nashik, Maharashtra (ii) first charge, ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliur, Taluka-Gummidipoondi, District - Thiruvallur, Tamil Nadu; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.

Term Loans from financial institutions

Loans of Rs. 405.90 lakhs (March 31, 2017 Rs. 458.01 lakhs), ROI 13.5%, taken from India Bulls Housing Finance Ltd, repayable in 84 monthly installments starting from 05.05.2016 and ending on 05.04.2023 are secured by first charge on company's immovable property situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

Loans of Rs. 1741.87 lakhs (March 31, 2017 Rs. 1856.44 lakhs), ROI 13.0%, taken from Religare Finvest Ltd, repayable in 117 monthly installments starting from 01.08.2016 and ending on 01.04.2026 are secured by First charge on company's the immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Dist- Bulandshahr (U.P).

Vehicle Loan

Loans of Rs. 18.40 lakhs (March 31, 2017: Nil), ROI 8.75%, taken from Toyota Financial Service India Ltd, repayable in 84 monthly installments starting from 22.01.2018 and ending on 20.12.2024.

23 OTHER FINANCIAL LIABILITIES- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31,2018	As at March 31, 2017	As at April 1, 2016
Security Deposit			
-From Others	22.73	27.60	30.38
Others	-	-	-
TOTAL	22.73	27.60	30.38

24 PROVISIONS- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31,2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Gratuity (refer note 42)	325.03	315.22	287.11
-Provision for Leave Benefit (refer note 42)	45.59	59.61	52.28
Others	300.00	300.00	300.00
TOTAL	670.62	674.83	639.39

25 CURRENT BORROWINGS

(Rs. lakhs)			
Particulars	As at March 31,2018	As at March 31, 2017	As at April 1, 2016
Secured			
Loans Repayable on Demand			
From Banks (Cash Credit and WCDL)	11,704.72	10,768.51	9,402.18
Unsecured			
Loans Repayable on Demand			
From other parties	500.00	-	-
Bill Discounting	2,798.39	2,944.26	3,022.00
TOTAL	15,003.11	13,712.77	12,424.18

Cash Credit and WCDL from Banks

Secured by (i) first charge, ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) second charge, ranking pari passu, (a) on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village -Chinnapuliyur, Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu; and hypothecation of plant and machinery to be purchased out of term loan.

Rate of borrowing: 11.15% p.a. - 14.85% p.a.

The details of delay in repayment of borrowing as at March 31, 2018 is as follows:

Particulars	Amount	Period of delay
Principal		
State bank of india	926.32	Less than 60 Days
Punjab National Bank	12.23	Less than 30 Days
Corporation Bank Ltd	116.63	Less than 60 Days
Axis Bank Ltd	1,465.81	Less than 60 Days

26 TRADE PAYABLES

(Rs. lakhs)			
Particulars	As at March 31,2018	As at March 31, 2017	As at April 1, 2016
Micro & small enterprises*	3.48	-	-
Acceptances	2,374.78	2,597.60	1,885.86
Other trade payable	11,573.49	10,307.38	10,633.47
TOTAL	13,951.75	12,904.98	12,519.33

*The company has received intimation from some of the Micro & Small enterprises and their dues have been settled in full, except as stated above.

With the above exception, the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

27 OTHER FINANCIAL LIABILITIES- CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term debt (refer note 22)	411.38	995.89	946.75
Interest Accrued	40.75	57.89	37.55
Unpaid Dividend*	7.09	10.01	11.75
Creditors for Capital expenditure	333.55	172.85	146.85
Others			
Employee's Payable	338.53	262.51	174.56
Others (Operating expenses)	583.25	541.12	1,132.87
TOTAL	1,714.55	2,040.27	2,450.33

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

28 OTHER CURRENT LIABILITIES

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	350.00	178.94	380.26
Other payables	-	-	-
Statutory Dues	1,208.77	872.74	543.98
TOTAL	1,558.77	1,051.68	924.24

29 PROVISIONS- CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
-Gratuity (refer note 42)	189.49	123.09	132.25
-Provision for Leave Benefit (refer note 42)	2.18	5.85	4.89
TOTAL	191.67	128.94	137.14

30 REVENUE FROM OPERATIONS

(Rs. lakhs)			
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
a) Sale of products			
Finished Goods	27,382.08	39,239.12	
Sale of Services	172.18	49.11	
	27,554.26	39,288.23	
b) Other operating Revenues;			
Scrap Sales	213.02	110.00	
Others	6.50	13.05	
	219.52	123.05	
TOTAL	27,773.78	39,411.28	

Note: Post applicability of Goods and Services Tax (GST) w.e.f July 01, 2017, revenue from operations are disclosed net of GST. However, the corresponding figures for previous year were inclusive of excise duty. Accordingly, revenue from operations for the year ended 31st March 2018 are not comparable with the figures of previous year.

31 OTHER INCOME

(Rs. Lakhs)			
Particulars	Year ended March 31, 2018	Year ended March 31, 2017	
Interest Income			
-Bank Deposits	43.95	8.85	
-Others	23.47	19.37	
Profit on sale/Fair value of investments	7.84	30.01	
Other Non-Operating Income			
-Rent	-	0.25	
-Miscellaneous Receipts- refer note 59	14.92	161.37	
TOTAL	90.18	219.85	

32 COST OF MATERIALS CONSUMED

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Organic acid/chemicals	2,892.10	4,538.58
Pigments	1,672.47	2,701.40
Solvent & Oils	5,337.89	5,961.02
Packages and Packing Materials	1,836.37	2,411.93
Others*	2,135.58	3,443.74
TOTAL	13,874.41	19,056.67

*include individual items of less than 10% of the total and therefore, not considered for the above classification.

33 PURCHASE OF STOCK-IN-TRADE

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of stock in trade	5,161.59	4,204.23
TOTAL	5,161.59	4,204.23

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Closing Stock		
Work in progress	213.45	156.53
Finished Goods	5,720.63	7,360.58
	5,934.08	7,517.11
Opening Stock		
Work in progress	156.53	326.38
Finished Goods	7,360.58	8,289.31
	7,517.11	8,615.69
(Increase)/ Decrease in Inventory	TOTAL	1,098.58
	1,583.03	1,098.58

35 EMPLOYEE BENEFIT EXPENSES

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages*	3,426.34	3,127.64
Contribution to provident & other funds	230.48	191.92
Expense/(reversal) on Employee Stock Option Scheme	(7.20)	13.08
Staff Welfare Expenses	291.24	199.64
TOTAL	3,940.86	3,532.28

*Current year expenditure includes Rs. 135.20 Lakhs (P. Y. Rs. 150.48 Lakhs) incurred on research & development activities.

36 FINANCE COST

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses		
On Working Capital & Term Loan	2,292.46	1,940.05
Foreign exchange (gain) / loss	1.44	14.41
Other Borrowing Costs	297.87	302.67
TOTAL	2,591.77	2,257.13

37 DEPRECIATION AND AMORTIZATION EXPENSES

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on Property, Plant & Equipment	730.90	738.34
Amortisation on Intangible Assets	55.47	74.43
TOTAL	786.37	812.77

38 OTHER EXPENSES

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts*	53.22	41.88
Power and fuel	270.87	234.71
Rent	521.65	516.30
Repairs to building	15.72	7.70

Repairs to plant and machinery*	69.95	65.37
Repairs - others	204.56	183.40
Insurance	69.84	63.66
Rates and taxes	39.72	17.51
Printing and stationery	33.96	33.78
Communication expenses	104.51	115.72
Directors' fees	10.10	4.60
Payment to Auditors	19.36	13.89
C&F Charges	127.67	129.43
Travelling expenses	622.76	566.14
Application Charges	170.30	49.11
Freight	2,494.69	2,794.91
Loss on sale/transfer of PPE	3.68	76.66
Bad Debts	30.59	-
Miscellaneous Expenses*	1,114.71	818.90
	5,977.86	5,733.67

*including expenditure on research & development activities, incurred during the year is Rs. 34.56 Lakhs (previous year Rs. 34.41 Lakhs).

(Rs. Lakhs)

Payment to Auditors		
Audit Fees	7.25	6.60
Certification fees and other Services	7.15	2.75
Reimbursement of expenses	3.46	3.29
TOTAL	17.86	12.64
Payment to Tax Auditors		
Tax Audit Fees	1.50	1.25
TOTAL	1.50	1.25

39 Tax Expenses

(Rs. lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Income tax recognized in profit or loss Current tax expense		
Current year		-
Deferred tax expense/(income)		
Origination and reversal of temporary differences	(2,165.41)	(536.02)
	(2,165.41)	(536.02)
(b) Effective tax Reconciliation		
Net Profit/(Loss) before tax	(6,707.05)	(1,497.26)
Enacted tax rates for company i.e. Shalimar Paints Ltd.	30.9%	30.9%
Computed tax (Income)/expense	(2,072.48)	(462.65)
Adjustment for:		
Additional allowance for tax purpose 35(2AB)	(28.64)	(57.81)
Disallowance u/s 43B	17.51	0.46
Deferred Tax related to Property, Plant & Equipments	(84.66)	(30.55)
Others	2.86	14.53
Income tax expense reported	(2,165.41)	(536.02)
Effective Income tax rate	32.29%	35.80%

40 A. Contingent Liabilities and claims against the Company

(Rs. lakhs)			
PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Contingent liabilities, to the extent not provided for in respect of:			
a. Guarantees, Undertakings & Letter of Credit			
Guarantees issued by the Company's Bankers on behalf of the Company	195.91	882.06	774.40
b. Demands			
Excise Duty	855.95	391.86	302.59
Sales Tax (excluding liability on account of C/F/Other forms) The management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect)	1,636.51	772.97	676.73
Income Tax	62.73	62.73	53.68
Others	1,634.75	183.32	73.86

It is not possible to predict the outcome of the pending litigations with accuracy, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The management believe the ending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

B. Commitments

(Rs. lakhs)			
PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of Rs. 21.09 Lakhs (March 31, 2017 Rs 760.75 lakhs; March 31, 2016 Rs 411.60 lakhs)	166.53	542.67	1.42
(ii) Uncalled liability on partly paid up shares	40.50	40.50	40.50

41. EARNING PER SHARE

Rs Lakhs		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Net profit/ (loss) as attributable for equity shareholders	(4,541.64)	(961.24)
(b) Weighted average number of equity shares (Nos.)	1,89,45,975	1,89,45,975
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	30,875	98,400
(d) Weighted average number of Equity shares in computing diluted earning per share	1,89,76,850	1,90,44,375
Basic Earnings per Share	(23.97)	(5.07)
Diluted Earnings per Share*	(23.97)	(5.07)
*Effect being antidilutive, hence ignored.		

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

42 'Employee Benefits', in accordance with Accounting Standard (Ind AS-19):

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

The Company has recognised an expense of Rs. 123.45 lakhs (Previous Year Rs. 117.42 lakhs) towards the defined contribution plan.

b) Defined benefits obligation - as per actuarial valuation

(Rs. Lakhs)				
Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity Funded	Leave Encashment Non-Funded	Gratuity Funded	Leave Encashment Non-Funded
I) Change in present value of obligation				
Present Value of obligation at the beginning of the year	439.04	65.46	436.95	57.17
- Current Service Cost	42.08	13.56	31.89	11.02
- Past Service Cost	0.01		-	-
- Interest Cost	32.05	4.78	34.30	4.49
- Acquisition cost			-	-
Actuarial loss/(gains) on Obligation	18.08	(35.62)	(46.25)	4.08
Benefits Paid	(14.39)	(0.42)	(17.85)	(11.30)
Present Value of obligation as at year-end	516.87	47.77	439.04	65.46
II) Change in Fair Value of Plan assets during the year				
Plan assets at the beginning of the year	0.73	-	17.58	-
Investment Income	0.05		1.38	-
Employer's contribution	16.01	0.42	1.00	11.30
Benefits paid	(14.39)	(0.42)	(17.85)	(11.30)
Actuarial Gain / (Loss) on Assets	(0.05)		(1.38)	-
Plan assets at the end of the year	2.35	-	0.73	-
III) Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1) Present Value of obligation as at year-end	516.87	47.77	439.04	65.46
2) Fair value of plan assets at year -end	2.35	-	0.73	-
3) Funded status {Surplus/(Deficit)}	(514.53)	(47.77)	(438.31)	(65.46)

IV) Expenses recognised in the Statement of Profit and Loss				
1) Current Service Cost	42.08	13.56	31.89	11.02
2) Interest Cost	32.00	4.78	32.92	4.49
3) Past service Cost	0.01	-	-	-
4) Expected return on plan assets	-	-	-	-
5) Actuarial (Gain) / Loss	-	(35.62)	-	4.08
Total Expenses	74.09	(17.28)	64.81	19.59
V) Expenses recognised in the Statement of Other Comprehensive Income				
1) Net Actuarial (Gain)/Loss	18.13	-	(44.87)	-
VI) Division of DBO at the end of the year				
1) Current Liability	189.49	2.18	123.09	5.85
2) Non-Current Liability	327.37	45.59	315.95	59.61
VII) Actuarial Assumptions				
1) Discount Rate	7.70%	7.70%	7.30%	7.30%
2) Mortality Table	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate
3) Salary Escalation	2.00%	2.00%	2.00%	2.00%

The Estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary.

Particulars	(Rs. Lakhs)			
	Actual Rate on Plan Assets		Estimates of Contribution for next year	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	Funded	Funded	Funded	Funded
1) Gratuity	-	-	569.02	489.43

IX) History of experience adjustment	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Gratuity					
Present value of obligation	516.87	439.04	436.95	420.06	464.32
Fair value of plan assets	2.35	0.73	17.58	35.40	78.45
Net assets/(liabilities)	(514.52)	(438.31)	(419.37)	(384.66)	(385.87)
Actuarial gain/(loss) on obligation	18.08	(46.25)	(1.64)	(69.04)	38.62
Actuarial gain/(loss) on plan assets	(0.05)	(1.38)	(0.77)	3.04	(4.71)
Leave Encashment					
Present value of obligation	47.77	65.46	57.17	68.71	102.85
Fair value of plan assets	-	-	-	-	-
Net assets/(liabilities)	(47.77)	(65.46)	(57.17)	(68.71)	(102.85)
Actuarial gain/(loss) on obligation	(35.62)	4.08	1.98	6.37	36.33
Actuarial gain/(loss) on plan assets	-	-	-	-	-

X) Sensitivity Analysis	Changes in assumption	Year ended March 31, 2018		Year ended March 31, 2017	
		Increase	Decrease	Increase	Decrease
Gratuity					
Discount Rate	-/+ 1% movement	25.98	23.02	24.18	21.36
Future Salary Growth	+/- 1% movement	28.15	25.23	24.51	21.98
Leave Encashment					
Discount Rate	-/+ 1% movement	4.31	3.74	5.86	5.09
Future Salary Growth	+/- 1% movement	4.90	4.30	5.98	5.27

XI Description of Risk Exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the company is exposed to various risks as follow -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The Plan expose the company to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk: This is the risk that the company is not able to meet the short term benefit payout. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turing out to be worse compared to the assumptions.

XII The major catagories of plan assets for gratuity as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2018	March 31, 2017
Fund managed by Insurer	100.00%	100.00%

43 CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(Rs. Lakhs)

Financial Assets								
Particulars	Note	Fair Value Hierarchy	As at March 31,2018		As at March 31,2017		As at April 1,2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial assets designated at fair value through profit and loss								
a) Derivatives - not designated as hedging instruments	A	Level-2	-	-	-	-	-	-
b) Investment	B							
i) In mutual funds		Level-1	-	-	291.89	291.89	19.04	19.04
ii) In Preference Shares*		Level-3	44.42	44.42	40.01	40.01	36.05	36.05
2. Financial assets designated at amortised cost	C							
a) Other bank balances			357.00	357.00	364.63	364.63	36.17	36.17
b) Cash & Cash Equivalents			1,551.91	1,551.91	808.22	808.22	859.98	859.98
c) Trade & Other receivables		Level-3	10,583.86	10,583.86	12,469.95	12,469.95	14,324.19	14,324.19
d) Investment		Level-3	0.23	0.23	0.23	0.23	0.23	0.23
e) Loans		Level-3	904.34	904.34	878.93	878.93	864.96	864.96
f) Other Financial Assets		Level-3	2,451.41	2,451.41	3,637.05	3,637.05	1,607.38	1,607.38
3. Investment in subsidiary companies	D		28.45	28.45	28.45	28.45	28.45	28.45
*including Equity Component								
Financial Liabilities								
Particulars	Note	Fair Value Hierarchy	As at March 31,2018		As at March 31,2017		As at April 1,2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial liability designated at fair value through profit and loss								
a) Derivatives - not designated as hedging instruments	A	Level-2	-	-	-	-	-	-
Financial liability designated at amortised cost								
a) Borrowings	E	Level-3	17,908.93	17,908.93	17,075.73	17,075.73	16,727.64	16,727.64
b) Trade & Other Payables	C	Level-3	13,951.75	13,951.75	12,904.98	12,904.98	12,519.33	12,519.33
c) Other Financial Liability		Level-3	1,325.91	1,325.91	1,071.98	1,071.98	1,533.96	1,533.96

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following methods and assumptions were used to estimate the fair values.

A. The fair values of derivatives are on MTM as per Bank

B. Company has opted to fair value its mutual fund & Preference shares investment through profit & loss

C. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given, loans to subsidiary and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.

D. Ind AS 101 allow company to measure its investment in subsidiaries, JVs and Associates at cost or at fair value on transition to Ind AS, Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

E. Long-term borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

Fair value hierarchy

Level 1 - Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

44 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

44.1 Financial risk factors

The Company's operational activities expose to various financial risks i.e. Market risk, Credit risk and Liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate risk, interest rate risk and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a.) Foreign Currency Risk and sensitivity

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the company's financials assets and financials liabilities at the reporting date i.e. 31st March 2018, net of related foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary items (Unhedge) are as follows:

Particulars	(Rs. Lakhs)	
	As at 31st March,2018	As at 31st March,2017
Financial liabilities		
Borrowings (USD)	(520.35)	-
Net assets / (liabilities)		
	(520.35)	-

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

5% increase and decrease in foreign exchanges rates will have the following impact on profit/(loss) before tax.

Particulars	(Rs. Lakhs)			
	2017-18		2016-17	
	5% Increase	5% decrease	5% Increase	5% decrease
USD Sensitivity	(26.02)	26.02	-	-
Increases/ (decrease) in profit or loss	(26.02)	26.02	-	-

b. Interest Rate Risk and Sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Risk Exposure**(Rs. Lakhs)**

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	INR	USD	INR	USD
Fixed Rate Borrowings	-	-	-	-
Variable Rate Borrowings	17,388.58	520.35	17,075.73	-
Total Borrowings	17,388.58	520.35	17,075.73	-

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & (Loss) before tax	
	March 31, 2018	March 31, 2017
INR Borrowings		
Interest Rate Increase by 0.50%	(86.94)	(85.38)
Interest Rate decrease by 0.50%	86.94	85.38
USD Borrowings		
Interest Rate Increase by 0.25%	(1.30)	-
Interest Rate decrease by 0.25%	1.30	-

c. Commodity price risk and sensitivity

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in price of key raw materials in domestic and international markets.

ii. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk arising from trade receivable is managed in accordance with the company's established policy, procedures and control relating to customer credit risk management. The concentration of credit risk is limited due to the fact that the customer base is large.

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Ageing Analysis of Trade Receivables**(Rs. Lakhs)**

Particulars	As 31st March, 2018			
	Not Due	Less Than Six Months	More than Six Months	Total
Unsecured receivable	3,718.30	3,898.76	2,966.80	10,583.86
Provision for Doubtful Receivables	-	-	-	-
Net Balance	3,718.30	3,898.76	2,966.80	10,583.86
Particulars	As 31st March, 2017			
	Not Due	Less Than Six Months	More than Six Months	Total
Unsecured receivable	5,007.99	4,528.72	2,933.24	12,469.95
Provision for Doubtful Receivables	-	-	-	-
Net Balance	5,007.99	4,528.72	2,933.24	12,469.95

iii. Liquidity risk

Liquidity risk refers to risk of financial distress or high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	(Rs. Lakhs)				
	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	17,908.93	12,204.72	3,209.77	2,494.44	17,908.93
Trade & Other payables	13,951.75	7,174.58	6,777.17	-	13,951.75
Other financial liabilities	1,325.91	129.71	1,173.47	22.73	1,325.91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

(Rs. Lakhs)					
Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	17,075.73	10,768.51	3,940.15	2,367.07	17,075.73
Trade & Other payables	12,904.98	4,658.56	8,246.42	-	12,904.98
Other financial liabilities	1,071.98	121.47	922.91	27.60	1,071.98

44.2 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

(Rs. Lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	17,908.93	17,075.73	16,727.64
Less: cash and cash equivalents	1,551.91	808.22	859.98
Net debt	16,357.02	16,267.51	15,867.66
Total Equity*	12,106.57	16,671.67	17,589.51
Capital and Net debt	28,463.59	32,939.18	33,457.17
Gearing Ratio	57%	49%	47%

*including fair valuation of Property, Plant & Equipment.

Note: Sensitivity analysis for risk management is based on management estimates.

45 Additional Notes

(Rs. Lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a. CIF Value of Imports		
Raw Materials	1,366.87	1,724.99
b. Expenditure in foreign currency		
Purchase of Raw Material	1,349.97	1,646.74
Traveling Expenses	Nil	0.38
Testing Charges	2.14	1.16
Interest expenses	19.40	-
c. Earnings in foreign currency		
FOB Value of Export	809.83	379.52
d. Amount remitted in foreign currency on account of dividend		
a) Number of Non-resident shareholders	Nil	Nil
b) Number of shares held by them	Nil	Nil
c) Amount of dividend remitted	Nil	Nil
d) Year to which dividend relates	Nil	Nil

e) Consumption of imported and indigenous raw materials & stores				
Particulars	2017-18		2016-17	
	%	Amount	%	Amount
Imported	7.03	933.87	10.71	2,045.87
Indigenous	92.97	12,353.96	89.29	17,052.68
	100.00	13,287.83	100.00	19,098.55

46 SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

I. Option Movement during the year ended Mar 2018

Particulars	March 31, 2018		March 31, 2017	
	No. of options	Wt. avg exercise Price (in Rs.)	No. of options	Wt. avg exercise Price (in Rs.)
No. of Options Outstanding at the beginning of the year	98,400	72.12	1,70,125	71.08
Options Granted during the year			-	-
Options Forfeited / Surrendered / Lapsed during the year	67,525	72.12	71,725	71.08
Options exercised during the year	-	-	-	-
Number of options Outstanding at the end of the year	30,875	97.19	98,400	72.12

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2018		March 31, 2017	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
43.80- 111.22	30,875	4.73	98,400	4.64

III. Weighted average Fair Value of Options granted during the year

Particulars	March 31, 2018	March 31, 2017
Exercise price is less than market price	102.29	75.70

IV. The weighted average market price of options exercised during the year ended March 31, 2018 is 144.99
The weighted average market price of options exercised during the year ended March 31, 2017 is 107.63

V. Method and Assumptions used to estimate the fair value of options granted during the year ended: The fair value has been calculated using the Black Scholes Option Pricing model.
The Assumptions used in the model are as follows:

Variables	March 31, 2018	March 31, 2017
	Weighted Average	Weighted Average
1. Risk-free rate of return	8.15%	8.15%
2. Time to Maturity	1.15	1.64
3. Expected Volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise Price (in Rs.)	97.19	72.12
6. Price of the underlying share in market at the time of the option grant.(in Rs.)	144.99	107.63

VI.	(Rs. lakhs)	
Particulars	March 31, 2018	March 31, 2017
Employee Option plan expense	28.13	35.33
Total liability at the end of the period	28.73	39.66

47 Related Party Disclosure as per Ind AS 24

A. List of Related Party & Relationship

Name of Related Party	Country of Incorporation	Ownership Interest		
		31st March 2018	31st March 2017	1st April 2016
(a) Subsidiary Companies				
Shalimar Adhunik Nirman Ltd.	India	99.99%	99.99%	99.99%
Eastern Speciality Paints & Coating Pvt. Ltd.	India	100.00%	100.00%	100.00%

(b) Key Managerial person

1	Mr. Surender Kumar	Managing Director & CEO
2	Mr. Sandeep Gupta	Chief Financial Officer w.e.f. 11/02/2017
3	Mr. Janak Raj Goyal	Chief Financial Officer till 31/01/2017

4	Mr. Nitin Gupta	Company Secretary w.e.f. 01/02/2016
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(c)Relative of KMP

1) Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)

(d) Other related parties

1 Hind Strategic investments Ltd.

B. Related Party Transaction

Particulars	(Rs. Lakhs)	
	Transaction during the year	
	FY 2017-18	FY 2016-17
Investment		
Shalimar Adhunik Nirman Ltd.	-	-
Eastern Speciality Paints & Coatings Pvt. Ltd.	-	-
Loans & Advances(Given)		
Shalimar Adhunik Nirman	27.16	51.54
Reimbursement of expenses incurred by Company		
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.22	0.08
Loans & Advances(Taken)		
Hind Strategic Investment	520.35	-
Interest Payment on Loan		
Hind Strategic Investment	19.40	-
Vehicle Hire charges		
Relative of KMP	2.30	-
Remuneration and other perquisites :-		
(a) short-term employee benefits;	201.07	180.60
(b) post-employment benefits;	-	-
(c) other long-term benefits;	-	-
(d) termination benefits; and	-	-
(e) share-based payment.	-	-

Particulars	(Rs. Lakhs)		
	Outstanding Balances at the year ended		
	31st March,2018	31st March,2017	1st April,2016
Loan & Advances (Given)			
Shalimar Adhunik Nirman	699.90	672.74	621.21
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.30	0.08	-
Investment			
Shalimar Adhunik Nirman	59.50	59.50	59.50
Eastern Speciality Paints & Coatings Pvt. Ltd.	5.00	5.00	5.00
Salary Payable			
Surender Kumar	6.14	5.59	-
Sandeep Gupta	4.22	5.11	-
Nitin Gupta	0.60	0.59	-
Interest Payable			
Hind Strategic Investment	1.90	-	-
Loans & Advances(Taken)			
Hind Strategic Investment	520.35	-	-

Compensation to Key Management Personnels

Particulars	Short-term employee benefits	
	FY 2017-18	FY 2016-17
Surender Kumar	121.54	91.78
Sandeep Gupta	70.89	17.16
Janak Raj Goyal	-	64.28
Nitin Gupta	8.64	7.38

48 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill & other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes),
- (ii) Discount Rate,
- (iii) Growth Rates and
- (iv) Capital Expenditure

49 Segment information

The Company operates mainly in one business segment (Business Segment) i.e. Paints; accordingly sales & stock in trade represent paints & allied products.

50 Loan to related party (refer note 9) includes the balance consideration of Rs. 492 lakhs (interest free) receivable by the Company in cash as per the order of Hon'ble High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary company, Shalimar Adhunik Nirman Limited.

51 The Company has re- commissioned its Chennai Plant and started its commercial production w.e.f 4th September 2017.

52 Other receivable includes insurance claim receivable Rs. 904.45 lakhs (net of Rs. 1099.73 lakhs received during the year) related to Nashik plant and Rs. 1474.81 lakhs related to Howrah Plant. The above claim of receivables are accounted for on estimated basis pending final assessment by the insurer. The policy is on Reinstatement basis, and Loss of profit for 6 months is yet to be assessed by the Insurer.

53 Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.

54 Term Loan from financial institutions represent loan availed by company for working capital for business needs.

55 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of Rs. 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goaberia as a security.

56 Pursuant to the Scheme of Merger of Woodlands Medical Centre Limited with Woodlands Multispecialty Hospital Ltd., as approved by the Calcutta High Court on 29.11.2010, the Company applied for 2350 shares of Rs. 10 each fully paid up in Woodlands Multispecialty Hospital Ltd against debenture of Rs. 23,500 held in Woodlands Medical Centre Limited. Pending allotment, the same has been retained as debentures.

57 The company has considered fair value as deemed cost on date of transition to Ind AS i.e.1st April 2016 of certain items of its Property plant and equipment i.e Land, Building, Plant & Machinery and other assets. In accordance with option given under Ind AS 101 resulted impact of fair value has been recognised in Other Equity. Accordingly PPE value is increased by Rs. 13,730.27 lakhs and depreciation reflected in statement of profit & loss of current year is higher by Rs. 277.11 Lakhs for the year ended 31st March 2018 and to that extent loss is higher.

58 Some of the Financials assets & liabilities including trade receivables, trade payables and advances, are pending for confirmation/ reconciliation, and impact of the same on financial statements, if any, is unascertained.

59 Miscellaneous Receipts include debtors/creditors written back Rs. 0.21 lakhs (Previous Year Rs 146.41 lakhs).

60 Finance charges include foreign exchange loss of Rs 1.44 lakhs (previous year Rs 14.41 lakhs).

61 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, have been prepared in accordance with Ind AS, for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with 1st April, 2016 as the transition date and IGAAP as the previous GAAP.

This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP, including the balance sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A Exemptions Applied:

Ind AS 101 First time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemptions which have been explained below:

(i) Property, Plant and Equipment

The Company has elected to measure certain items of its of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2016.

(ii) Investment in subsidiaries, joint ventures and associate

The carrying amounts of the Company's investments in its subsidiary companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

(iii) Share based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to: (i) equity instruments that vested before the date of transition to Ind AS, (ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS. The Company has opted not to apply Ind AS 102 to the equity instruments vested before the date of transition.

B. Ind AS Mandatory Exceptions

(i) Estimates

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model, fair valuation of financial instruments carried at FVTPL in accordance with Ind AS at the date of transition as these were not required under Indian GAAP.

(ii) Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

(iii) Derecognition of Financial Assets and Liabilities

The Company has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to Ind AS.

61(i) Reconciliation of Equity as reported under Previous GAAP to Ind AS

(Rs. Lakhs)

Particulars	As at April 1,2016		
	IGAAP	Adjstuments	IND AS
ASSETS			
1 Non Current Asset			
a Property, Plant & Equipment	6,487.13	13,730.27	20,217.40
b Capital work-in-progress	553.15	-	553.15
c Other Intangible assets	257.18	-	257.18
d Financial Assets			-
i) Investments	84.73	(0.96)	83.77
ii) Loans	1,233.47	(368.51)	864.96
iii) Other financial assets	-	-	-
e Deferred tax assets (net)	344.91	(344.91)	
f Other non-current assets		408.01	408.01
2 Current Asset			
a Inventories	11,092.13	-	11,092.13
b Financial Assets			
i) Investments			-
ii) Trade receivables	14,324.19	-	14,324.19
iii) Cash and cash equivalents	896.15	(36.17)	859.98
iv) Bank balances other than (iii) above	-	36.17	36.17
v) Loans	553.67	(553.67)	-

vi)Other financial assets	-	1,607.38	1,607.38
c Current Tax Assets (Net)	-	306.94	306.94
d Other current assets	3,262.28	(1,400.15)	1,862.13
TOTAL	39,088.99	13,384.40	52,473.39
EQUITY & LIABILITIES			
EQUITY			
a Equity Share Capital	378.93	0.00	378.93
b Other Equity	6,228.36	10,982.22	17,210.58
	6,607.29	10,982.22	17,589.51
LIABILITIES			
1 Non Current Liabilities			
Financial Liabilities			
i)Borrowings	3,356.71	-	3,356.71
ii)Other financial liabilities	30.38	-	30.38
Provisions	771.64	(132.25)	639.39
c Deferred tax liabilities (Net)		2,402.18	2,402.18
2 Current Liabilities			
Financial Liabilities			
i)Borrowings	9,402.18	3,022.00	12,424.18
ii)Trade payables	15,688.18	(3,168.85)	12,519.33
iii)Other financial liabilities	-	2,450.33	2,450.33
Other current liabilities	3,227.72	(2,303.48)	924.24
c Provisions	4.89	132.25	137.14
TOTAL	39,088.99	13,384.40	52,473.39

61(ii). Reconciliation of Equity as reported under Previous GAAP to Ind AS

Particulars	(Rs. Lakhs)		
	As at March 31, 2017		
	IGAAP	Adjstments	IND AS
ASSETS			
1 Non Current Asset			
a property, Plant & Equipment	5,958.12	13,302.36	19,260.48
b capital work-in-progress	1,373.99	-	1,373.99
c Other Intangible assets	185.38	(0.01)	185.37
d Financial Assets	-		
i) Investments	64.73	3.96	68.69
ii) Loans	1,612.49	(733.56)	878.93
iii) Other financial assets	-	22.14	22.14
e Deferred tax assets (net)	712.15	(712.15)	
f Other non-current assets		760.75	760.75
2 Current Asset			
a Inventories	9,255.34	-	9,255.34
b Financial Assets			-
i) Investments	285.47	6.42	291.89
ii)Trade receivables	12,469.95	-	12,469.95
iii)Cash and cash equivalents	1,194.99	(386.77)	808.22
iv)Bank balances other than (iii) above		364.63	364.63
v)Loans	650.91	(650.91)	-
vi)Other financial assets	-	3,614.91	3,614.91
c Current Tax Assets (Net)	-	312.43	312.43
d Other current assets	5,093.30	(3,301.19)	1,792.11
TOTAL	38,856.82	12,603.01	51,459.83
EQUITY & LIABILITIES			
EQUITY			
a Equity Share Capital	378.93	-	378.93
b Other Equity	5,569.74	10,723.00	16,292.74

	5,948.67	10,723.00	16,671.67
LIABILITIES			
1 Non Current Liabilities			
a Financial Liabilities			
i) Borrowings	2,367.07	-	2,367.07
ii) Other financial liabilities	27.60	-	27.60
b Provisions	797.92	(123.09)	674.83
c Deferred tax liabilities (Net)	-	1,880.02	1,880.02
2 Current Liabilities			
a Financial Liabilities			
i) Borrowings	10,768.51	2,944.26	13,712.77
ii) Trade payables	16,022.09	(3,117.11)	12,904.98
iii) Other financial liabilities	-	2,040.27	2,040.27
b Other current liabilities	2,919.11	(1,867.43)	1,051.68
c Provisions	5.85	123.09	128.94
TOTAL	38,856.82	12,603.01	51,459.83

61(iii). Reconciliation of Total Comprehensive Income as previously reported under IGAAP to Ind AS for the year ended March 31, 2017

(Rs. Lakhs)				
	Particulars	IGAAP	Adjustments	IND AS
I	Revenue From Operations	36,927.02	2,484.26	39,411.28
II	Other Income	208.50	11.35	219.85
III	Total Revenue (I+II)	37,135.52	2,495.61	39,631.13
IV	EXPENSES			
	Cost of materials consumed	19,056.67	0.00	19,056.67
	Purchases of Stock-in-Trade	4,204.23	-	4,204.23
	Changes in inventories of finished goods, Stock-in –Trade and work-in-progress	1,098.58	(0.00)	1,098.58
	Excise duty on sale		4,433.06	4,433.06
	Employee benefits expense	3,478.52	53.76	3,532.28
	Finance costs	2,257.13	-	2,257.13
	Depreciation and amortization expense	421.97	390.80	812.77
	Other expenses	7,645.37	(1,911.70)	5,733.67
	Total expenses	38,162.47	2,965.92	41,128.39
V	Profit/(loss) before exceptional items and tax (III-IV)	(1,026.95)	(470.31)	(1,497.26)
VI	Exceptional items			
VII	Profit/(loss) before tax (V-VI)	(1,026.95)	(470.31)	(1,497.26)
VIII	Tax expense			
	Current Tax			
	Deferred tax	(367.24)	(168.78)	(536.02)
IX	Profit/(loss) for the period	(659.71)	(301.53)	(961.24)
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss	-	44.87	44.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	13.86	13.86
XI	Total Comprehensive Income (IX+X)	(659.71)	(270.52)	(930.23)

Reconciliation of movement in profit & loss for the year ended March 31, 2017		(Rs.Lakhs)
Particulars		31.03.2017
Reported net profit for the period as per Indian GAAP		(659.71)
Changes consequent to Ind AS adoption:-		
a) Fair Valuation of Employee Stock Option Plan		(8.88)
b) Impact due to Fair Valuation of current/ non current Investment other than Subsidiary		7.39

	c) Impact of fair valuation of Pref Share	3.97
	d) Remeasurement of defined benefit obligation	(44.87)
	e) Depreciation due to Fair valuation of PPE	(390.80)
	f) Loss on sale/transfer of PPE due to Fair valuation	(37.11)
	g) Tax Adjustment	168.77
	Net profit before OCI as per Ind AS	(961.24)
	Other Comprehensive Income	
	Actuarial Gain/(loss)- net of tax	31.01
	Total Comprehensive Income	(930.23)

61(iv). Other Equity Reconciliation
Other equity as at 1st April 2016

(Rs. Lakhs)

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	Revaluation surplus	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2016 as per IGAAP	32.24	961.10	280.72	17.51	3,758.51	1,178.28	-	6,228.36
Remesurement								-
-Valuation of investment at fair value						(0.96)		(0.96)
-Fair value of PPE						13,730.27		13,730.27
-Defined Benefit Obligation/ Plan								
-Other Ind AS adjustment	(32.24)		(280.72)	9.76		303.20		-
-Deferred tax on above adjustment						(2,747.09)		(2,747.09)
Restated Balance as at April 1, 2016	-	961.10	-	27.27	3,758.51	12,463.7	-	17,210.58

Other equity as at 31st March 2017

(Rs. lakhs)

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	Revaluation surplus	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at March 31, 2017 as per IGAAP	32.24	961.10	280.72	18.60	3,758.51	518.57	-	5,569.74
Remesurement								-
-Valuation of investment at fair value						6.42		6.42
-Income on Preference shares						3.97		3.97
-Fair value of PPE						13,302.36		13,302.36
-Fair value of ESOP				11.30		-8.88		2.42
-Defined Benefit Obligation/ Plan						-44.87	44.87	-
-Other Ind AS adjustment	(32.24)		(280.72)	9.76		303.20		-
-Deferred tax on above adjustment						(2,578.31)	(13.86)	(2,592.17)
Restated Balance as at March 31, 2017	-	961.10	-	39.66	3,758.51	11,502.46	31.01	16,292.74

61(v) Notes to first-time adoption:

i Property, Plant and Equipment carried at deemed cost

The Company has opted the option of fair value as deemed cost for the Property Plant and Equipment as on the date of transition to Ind AS i.e. 1st April 2016 and impact of Rs. 13,730.27 Lakhs in accordance with said stipulations with resulted impact being accounted for in other equity. Company has reversed depreciation charged on revaluation of PPE as per previous GAAP and depreciation on Property, Plant and Equipment as per Ind AS has been accounted on fair value.

ii Investments

i) Investment in subsidiaries, associates and joint ventures (i) in equity shares has been considered at carrying value as deemed cost; (ii) other than equity shares has been considered at Fair value through P&L as on the date of transition to Ind AS i.e. 1st April 2016.
ii) Investment in Mutual Fund, these investments have been classified as fair value through Profit and Loss Account (FVTPL) on the date of transition.

iii Deferred Tax

The Company has accounted for deferred tax on various adjustment between Indian GAAP and Ind AS as well as on temporary differences between the carrying amount of assets and liabilities in the balance sheet and corresponding tax bases at the tax rate at which they are expected to be reversed. Corresponding net impact has been recognised in retained earning/profit & loss/Other Comprehensive Income as applicable.

iv Excise duty, Discount, Rebate & Claims

Under Ind AS, revenue from sale of goods includes excise duty. Excise duty expense is presented separately on the face of the statement of profit and loss as part of expenses.

Under Indian GAAP, Discount, rebate and claim were recognised as expenses which has been adjusted against the revenue from sale of goods under Ind AS during the year ended 31st March 2017.

The said changes do not affect equity as at date of transition to Ind AS, profit after tax.

v Remeasurements of Defined Benefit Obligations

Under Ind AS, remeasurement benefits relating to defined benefit obligation is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI. Under Previous GAAP, remeasurement benefit of defined benefit obligation, arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss.

The said changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

vi Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

vii Share based payments

Under Indian GAAP, the Company recognised only the intrinsic value of the stock options given under Employee Stock Option Plan (ESOP) as an expense. Ind AS requires the fair value of share options to be determined using an appropriate pricing model for the purpose of recognizing expense over the vesting period. Accordingly, change in liability based on fair value of such options outstanding as unvested as at April 1, 2016 has been recognised as a separate component of equity against retained earnings. In statement of profit and loss for the year ended March 31, 2017 employee compensation expense due to fair valuation of options increased.

viii Financial assets and Financial Liabilities

Financial assets and financial liabilities have been classified as per Ind AS 109 read with Ind AS 32.

ix Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

62 Recent Accounting Pronouncement

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force for financial periods beginning on or after April 1, 2018.

Ind AS 21, Foreign currency transactions and advance consideration

It clarified that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, shall be date when an entity has received or paid advance consideration in a foreign currency.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

As per revised standard an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers, are required to be made.

Transitional provisions provides two options:

- i) Under the Retrospective approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.
- ii) Under the Cumulative catch - up approach, the cumulative effect of initially applying the standard shall be recognized retrospectively at the date of initial application i.e. 1st April 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition approach and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

63 Previous year figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current year's classification.

64 Notes 1 to 64 are annexed to and form an integral part of the financial statements.

As per our report of event date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of Board of Directors

Anup Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director & CEO
DIN: 00510137

Pushpa Chowdhary
Director
DIN: 06877982

Place: Gurugram
Date: May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
M. No. F8485

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of Shalimar Paints Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shalimar Paints Limited ((hereinafter referred to as "the Holding Company") and its subsidiaries-Shalimar Adhunik Nirman Limited & Eastern Speciality Paints & Coating Private Limited (collectively referred to as "**the Group**") comprising the Consolidated Balance Sheet as at 31st March, 2018, and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated IND As Financial .Statements)

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (i) We did not audit the financial statements of subsidiaries included in consolidated Ind AS financial statements, whose financial statements financial information reflect total assets Rs 2736.36 lakh as at 31st March, 2018, total revenues of Rs 0.01 lakh and net cash outflows amounting to Rs 0.04 lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
- (ii) The comparative financial information of the Group for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by other auditors whose reports for the year ended 31st March, 2017 and 31st March, 2016 (a) dated 24th May, 2017 & 28th May, 2016, respectively in case of Shalimar Adhunik Nirman Limited (b) dated 20th May 2017 & 28th May 2016, respectively in case of Eastern Speciality Paints & Coating Private Limited, expressed an unmodified opinion on those consolidated financial statements. The said financial statements audited by other auditors have been restated to comply with Ind AS. Adjustments made in the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with IndAS have been audited by us.
- (iii) As per information and explanation furnished to us, the insurance claims of loss for damage of immovable & movable assets due to fire in Company's plants/units located at Howrah & Nashik, are yet to be assessed by the Insurer & claim have been accounted for on estimated basis. (Note 52 of consolidated financial statements).
- (iv) Some of the financial assets & liabilities including trade receivables, trade payables & advances are pending confirmation/reconciliation, and their impact on financial statements, if any, is unascertained. (Note 58 of consolidated financial statements)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on separate financial statements of subsidiary incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) .In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors' reports of the Holding

company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of, the Holding Company's and subsidiary company's (incorporated in India) internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group –Refer Note 40 to the Consolidated financial statements..
- (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place: Gurugram
Date: 23rd May, 2018.

Arun Kumar Dubey
Partner
Membership No.- 057141

Annexure-A' to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Shalimar Paints Limited ("the Company" or "the Holding Company") and its subsidiary companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting (criteria established by the Company) considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, and its subsidiary companies, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place: Gurugram
Date: 23rd May, 2018.

Arun Kumar Dubey
Partner
Membership No.- 057141

SHALIMAR PAINTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. lakhs)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I	ASSETS				
	I Non-current assets				
a	Property, Plant and Equipment	5	24,785.75	21,986.72	22,943.84
b	Capital work-in-progress	6	66.70	1,373.99	553.14
c	Intangible assets	7	175.05	185.37	257.18
d	Financial Assets				
	i) Investments	8	0.23	0.23	19.27
	ii) Loans	9	204.14	206.11	243.75
	iii) Other financial assets	10	41.77	22.14	-
e	Deferred tax assets (net)	11	35.69	-	-
f	Other non-current assets	12	21.10	762.84	409.05
2	Current assets				
a	Inventories	13	7,400.65	9,255.34	11,092.13
b	Financial Assets				
	i) Investments	14	-	291.89	-
	ii) Trade receivables	15	10,583.86	12,469.95	14,324.19
	iii) Cash and cash equivalents	16.1	1,557.68	814.04	866.53
	iv) Bank balances other than (iii) above	16.2	358.00	365.63	36.17
	v) Other financial assets	17	2,410.64	3,615.91	1,608.38
c	Current Tax Assets (Net)	18	277.78	312.43	306.94
d	Other current assets	19	1,503.14	1,792.14	1,862.07
	Total Assets		49,422.18	53,454.73	54,522.64
II	EQUITY AND LIABILITIES				
	Equity				
a	Equity Share Capital	20	378.93	378.93	378.93
b	Other Equity	21	13,425.23	18,004.19	18,930.13
	LIABILITIES				
1.	Non-current liabilities				
a.	Financial Liabilities				
	i) Borrowings	22	2,494.44	2,367.07	3,356.71
	ii) Trade payables		-	-	-
	iii) Other financial liabilities	23	22.73	27.60	30.38
b	Provisions	24	670.62	674.83	639.39
c	Deferred tax liabilities (Net)	11	-	2,151.35	2,689.11
d	Other non-current liabilities		-	-	-
2.	Current liabilities				
a.	Financial Liabilities				
	i) Borrowings	25	15,003.11	13,712.77	12,424.18
	ii) Trade payables	26	13,951.75	12,907.19	12,546.09
	iii) Other financial liabilities	27	1,722.79	2,048.50	2,458.50
b	Other current liabilities	28	1,560.91	1,053.36	932.08
c	Provisions	29	191.67	128.94	137.14
	Total Equity and Liabilities		49,422.18	53,454.73	54,522.64
	Overview and Significant Accounting Policies	1-4			

Accompanying notes form an integral part of the financial statements.

As per our report of even date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

Arun Kumar Dubey
Partner
(M. No. 057141)

For and on Behalf of Board of Directors

Surender Kumar
Managing Director and CEO
DIN:- 00510137

Pushpa Chowdhary
Director
DIN:- 06877982

Place : Gurugram
Date : May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
Mem. No. F8485

SHALIMAR PAINTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

		(Rs. lakhs)		
	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue From Operations	30	27,773.78	39,411.28
II	Other Income	31	64.45	198.11
III	Total Revenue (I+II)		27,838.23	39,609.39
IV	EXPENSES			
	Cost of materials consumed	32	13,874.41	19,056.67
	Purchases of Stock-in-Trade	33	5,161.59	4,204.23
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	34	1,583.03	1,098.58
	Excise duty		655.12	4,433.06
	Employee Benefit Expenses	35	3,940.86	3,532.28
	Finance costs	36	2,591.78	2,257.22
	Depreciation and amortization expense	37	787.96	814.36
	Other expenses	38	5,980.43	5,733.95
	Total expenses		34,575.18	41,130.35
V	Profit/(loss) before exceptional items and tax (III-IV)		(6,736.95)	(1,520.96)
VI	Exceptional items		-	-
VII	Profit/(loss) before tax (V-VI)		(6,736.95)	(1,520.96)
VIII	Tax expense	39		
	Current Tax		-	-
	Deferred tax		(2,181.45)	(551.62)
IX	Profit/(loss) for the period (VII-VIII)		(4,555.50)	(969.34)
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss		(18.13)	44.87
	(ii) Income tax effect on above		(5.60)	13.86
	Total Other Comprehensive Income/(Loss) for the year (i)-(ii)		(12.53)	31.01
XI	Total Comprehensive Income/(loss) for the year (IX+X)		(4,568.03)	(938.33)
XII	Earnings per Shares of Rs. 2/- each	41		
	1) Basic (in Rs)		(24.04)	(5.12)
	2) Diluted (in Rs)		(24.04)	(5.12)
	Overview and Significant Accounting Policies	1-4		
Accompanying notes form an integral part of the financial statements.				

As per our report of even date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

Arun Kumar Dubey
Partner
(M. No. 057141)

For and on Behalf of Board of Directors

Surender Kumar
Managing Director and CEO
DIN:- 00510137

Pushpa Chowdhary
Director
DIN:- 06877982

Place : Gurugram
Date : May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
Mem. No. F8485

SHALIMAR PAINTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	(Rs. Lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(6,736.95)	(1,520.96)
Adjustments for:		
Depreciation, amortization and impairment expenses	787.96	814.36
Net (Gain) / Loss on Sale of Property, Plant & Equipment	3.68	76.66
Net (Gain) / Loss on Sale/ Fair valuation of Investment	(3.44)	(26.04)
Bad debts/Provision for doubtful Debts Written Back	30.59	(40.00)
Employee stock option expenses	(7.20)	13.08
Finance Costs	2,591.78	2,257.22
Interest Income	(46.08)	(10.45)
Operating Profit/(loss) before Working Capital changes	(3,379.66)	1,563.87
Adjustments for:		
Trade Receivables & Other receivable	3,356.62	(6.88)
Inventories	1,854.68	1,836.79
Trade & other Payables	1,705.87	47.91
Cash generated (used) in /from Operations before tax	3,537.51	3,441.69
Direct Taxes (paid)/refund (net)	34.65	(5.49)
Net cash flow (used) in/ from Operating Activities	3,572.16	3,436.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(1,444.74)	(1,356.59)
Proceeds from sale of Property, Plant & Equipment	74.03	345.93
Acquisition of Investments	-	(1,200.00)
Sale of Investment	295.33	953.20
Interest/other income Received	37.49	10.90
Movement in Margin money/Fixed deposits	(14.92)	(353.34)
Net cash flow (used) in/ from Investing Activities	(1,052.81)	(1,599.90)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from /(repayment) of Borrowings (net)	833.20	348.09
Finance Costs	(2,608.91)	(2,236.88)
Net cash (used) in/ from Financing Activities	(1,775.71)	(1,888.79)
Net cash (used) in/ from Operating, Investing & Financing Activities	743.64	(52.49)
Opening balance of Cash and Cash equivalent	814.04	866.53
Closing balance of Cash & Cash equivalent	1,557.68	814.04
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note 16.1):-		
i) Cash Balance on Hand	3.17	4.90
ii) Balance with Banks :		
-In Current Accounts	1,528.05	192.11
-Cheques/draft in hand	19.80	615.30
-Bank deposits with maturity of less than 3 months	6.66	1.73
Total	1,557.68	814.04

As per our report of even date
For **A. K. Dubey & Co.,**
Chartered Accountants
(Firm Regn. No. 329518E)

For and on Behalf of Board of Directors

Arun Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director and CEO
DIN:- 00510137

Pushpa Chowdhary
Director
DIN:- 06877982

Place : Gurugram
Date : May 23, 2018

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
Mem. No. F8485

SHALIMAR PAINTS LIMITED
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

		(Rs. lakhs)
A	Equity Share Capital	Amount
	Equity Share Capital as on 1st April 2016	378.93
	Movement during the year 2016-17	-
	Equity Share Capital as on 31st March 2017	378.93
	Movement during the year 2017-18	-
	Equity Share Capital as on 31st March 2018	378.93

B	Other equity						(Rs. lakhs)
		Reserves & Surplus				Other Comprehensive Income	Total
	Particulars	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
	Balance as at April 1, 2016 (Ind AS)	961.10	27.27	3,758.51	14,183.25	-	18,930.13
	-Profit or Loss for the year				(969.34)		(969.34)
	-Other comprehensive income for the year					31.01	31.01
	-Movement during the year		12.39				12.39
	Balance as at March 31, 2017	961.10	39.66	3,758.51	13,213.91	31.01	18,004.19
	-Profit or Loss for the year				(4,555.50)		(4,555.50)
	-Other comprehensive income for the year					(12.53)	(12.53)
	-Movement during the year		(10.93)				(10.93)
	Balance as at March 31, 2018	961.10	28.73	3,758.51	8,658.41	18.48	13,425.23

SHALIMAR PAINTS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Overview

Shalimar Paints Limited (“the Company” or “the Parent Company”) is a public limited company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Company has a pan-India presence through its marketing offices in all major states in India.

2 Basis of preparation of financial statements

The consolidated financial statements comprises the financials statements of Shalimar Paints Limited (the Company or Parent Company) and its subsidiaries Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coating Private Limited (hereinafter collectively referred to as “Shalimar Group”).

These consolidated financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (‘the Act’) and other relevant provisions of the Act to the extent applicable.

For all periods up to and including the year ended 31st March 2017, the Company had prepared its consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as ‘Indian GAAP’).

The group has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 “First-time adoption of Indian Accounting Standards”. The transition was carried out from accounting principles generally accepted in India (“Indian GAAP”) which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2016 and March 31, 2017 and on the net profit and material adjustments to cash flows for the year ended March 31, 2017 is disclosed in Note no 61 to these consolidated financial statements.

The consolidated financial statements provide comparative information in respect of previous year. In addition, the company presents balance sheet as at the beginning of previous year which is the transition date to Ind AS.

Basis of preparation of consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Accounting Policies of the parent company and its subsidiaries are largely similar. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 “Consolidated Financial Statement”. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company’s financial statements.

3 Key Accounting Judgements, Estimates & Assumptions:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Income Tax

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets/ liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

Defined Benefit Obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term

nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically.

4 Significant Accounting Policies

4.1) Basis of measurement

The financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured at fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1st April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

4.2) Property, plant and equipment

i) Recognition and measurement

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment (PPE) on the date of transition.

An asset is recognised as property, plant and equipment when it qualifies the recognition criteria as specified in Ind AS 16. Following initial recognition, items of property, plant and equipment are carried at its cost, net of available duty/tax credits, less accumulated depreciation and accumulated impairment losses if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Costs in nature of minor repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from discard/sale of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded / sold.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

ii) Depreciation

Depreciation on property, plant and equipment is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value:

- a) In respect of assets located at Nashik, Chennai and Sikandrabad - on straight line method.
- b) In respect of other assets - on written down value method.

Subsequent to fair value as deemed cost of property, plant and equipment as at 1st April 2016 under Ind AS 101, depreciation is charged on fair valued amount less estimated salvage value.
Leasehold land is amortized on a straight line basis over the remaining period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

4.3) **Intangible assets**

i) **Recognition & measurement :**

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized over the estimated useful economic life as per following manner:

- a) In respect of assets located at Nashik, Sikandrabad & Chennai - on straight line method.
- b) In respect of other assets - on written down value method.

The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer Software	6 years
Trade mark	10 Years
Technical know how	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

ii) **Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

4.4) **Impairment**

The carrying amount of Property, Plant & Equipment, Intangible assets and cash generating assets are reviewed at each Balance Sheet date to assess impairment, if any based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value being higher of value in use and fair value less cost of disposal. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been an improvement in recoverable amount.

4.5) **Lease Accounting**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

4.6) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) **Initial recognition**

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added/deducted respectively to the fair value on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

ii) **Subsequent measurement**

(i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are recognised in OCI except the recognition of impairment gains or losses, interest revenue calculated using the Effective Interest Rate (EIR) method and foreign exchange gains and losses which are recognised in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. Financial liabilities at fair value through profit and loss (FVTPL) includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

iii) Impairment of financial assets

Financial assets, other than debt instruments measured at FVTPL and Equity instruments are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on all financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

iv) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

v) Reclassification of Financial Assets and Financial Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

vi) Derivative financial instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.7) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

4.8) Inventory

Inventories are valued at lower of cost, computed on weighted average basis, or net realizable value. Cost of inventories includes in case of raw material, cost of purchase including taxes and duties net of tax credits/GST and incidental expenses; in case of work-in-progress, estimated direct cost including taxes and duties net of cenvat credits and appropriate proportion of administrative and other overheads; in case of finished goods, estimated direct cost including taxes and duties net of tax credits/GST and appropriate administrative and other overheads including other cost incurred in bringing the inventories to the present location and conditions; and in case of traded goods, cost of purchase and other costs incurred in bringing the inventories to the present location and conditions.

The obsolete/damaged items of inventories are valued at estimated realisable value.

4.9) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote or the amount cannot be estimated reliably. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

4.10) Revenue Recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates granted by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account.

Amounts collected on behalf of third parties such as sales tax, value added tax and goods & service tax are excluded from revenue.

4.11) Other income

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

4.12) Employee Benefits

- i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.
- ii) The Company makes regular contribution to provident funds which are administered by Government and are independent of Company's finance. The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.
- iii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund, and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.

For Schemes where recognized funds have been set up, annual contributions are made as determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. Remeasurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to Other Comprehensive Income in period in which they arise. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

- iv) Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Statement of Profit and Loss.

4.13) Foreign Exchange Transactions

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are initially recorded in the functional currency (i.e. Indian Rupees) at rates prevailing at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates and the resulting exchange difference recognised in statement of profit & loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

4.14) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

4.15) Taxes on Income

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided on temporary difference arising between the tax bases of assets & liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rate that are expected to apply in the year when the asset is realized or the liability is settled based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and the carry forward unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

4.16) Segment Reporting

As the company's business falls within a primary business segment viz, "Paints".

4.17) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.18) Share-based payment transactions

Equity-settled share -based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

4.19) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(Rs. lakhs)

5 PROPERTY, PLANT & EQUIPMENT									
Particulars	Land-Free hold	Land-Lease hold	Buildings	Plant & Machinery*	Furniture & Fixtures	Motor Vehicles	Office Equipment	Total	
Gross carrying value (Cost/Deemed cost)									
As at April 01, 2016	12,369.01	1,690.95	6,752.44	1,831.94	209.42	12.78	77.3	22,943.84	
Additions	-	-	9.04	134.04	2.30	-	32.72	178.10	
Disposals	-	-	(193.93)	(156.23)	(104.39)	-	(1.25)	(455.80)	
Balance as at March 31, 2017	12,369.01	1,690.95	6,567.55	1,809.75	107.33	12.78	108.77	22,666.14	
Additions			1,829.54	1,676.54	7.52	16.73	70.07	3,600.40	
Disposals			(75.18)		-			(75.18)	
As at March 31, 2018	12,369.01	1,690.95	8,321.91	3,486.29	114.85	29.51	178.84	26,191.36	
Depreciation									
Depreciation for the year 16-17	-	25.62	297.10	312.93	60.87	4.82	38.59	739.93	
Disposals			(12.01)	(22.50)	(25.71)	-	(0.29)	(60.51)	
Balance as at March 31, 2017	-	25.62	285.09	290.43	35.16	4.82	38.30	679.42	
Depreciation for the year 17-18	-	25.62	354.49	298.90	18.34	3.31	31.83	732.49	
Disposals			(6.30)		-			(6.30)	
As at March 31, 2018	-	51.24	633.28	589.33	53.50	8.13	70.13	1,405.61	
Net carrying value									
Balance at April 1, 2016	12,369.01	1,690.95	6,752.44	1,831.94	209.42	12.78	77.30	22,943.84	
Balance at March 31, 2017	12,369.01	1,665.33	6,282.46	1,519.32	72.17	7.96	70.47	21,986.72	
Balance at March 31, 2018	12,369.01	1,639.71	7,688.63	2,896.96	61.35	21.38	108.71	24,785.75	
6 Capital Work in Progress									
Balance at April 1, 2016								553.14	
Balance at March 31, 2017								1,373.99	
Balance at March 31, 2018								66.70	

*including expenditure on research & development activities, incurred during the year is Rs. 4.28 Lakhs (previous year Rs. 0.32 Lakhs)

6.1 Statement showing the details of expenditure during trial run forming part of capital work in progress:

Particulars	(Rs. Lakhs)
	Year ended March 31, 2018
Raw Material Consumed	261.00
Consumption of Power & Fuel	23.36
Consumption of Stores & Spare	4.25
Salary & Wages	78.83
Contribution to PF & Other Funds	2.15
Staff Welfare Expenses	5.54
Rent	4.75
Repair & Maintenance	2.04
Travelling expenses	7.79
Bank Charges	0.07

Consultancy Charges	14.07
Miscellaneous Expenses	7.68
	411.53
Less:	
Sale of Products - Finished goods	299.76
	111.77
Less: Capitalised/transfer	111.77
Net Balance	-

7. INTANGIBLE ASSETS

(Rs. lakhs)				
Particulars	Computer & Software	Technical Know How	Trade Mark	Total
Gross carrying value (Cost/Deemed cost)				
As at April 01, 2016	138.93	68.47	49.78	257.18
Additions	2.62			2.62
Disposals				-
Balance as at March 31, 2017	141.55	68.47	49.78	259.80
Additions	45.15			45.15
Disposals				-
Balance as at March 31, 2018	186.70	68.47	49.78	304.95
Amortization				
Charge for the year	52.70	8.29	13.44	74.43
Disposals				-
Balance as at March 31, 2017	52.70	8.29	13.44	74.43
Additions	41.00	4.66	9.81	55.47
Disposals				-
Balance as at March 31, 2018	93.70	12.95	23.25	129.90

Net Carrying Value				
Balance at April 1, 2016	138.93	68.47	49.78	257.18
Balance at March 31, 2017	88.85	60.18	36.34	185.37
Balance at March 31, 2018	93.00	55.52	26.53	175.05

8 INVESTMENTS (NON-CURRENT)

(Rs. lakhs)							
	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No. of Shares/un its	Amount	No. of Shares/un its	Amount	No. of Shares/un its	Amount
8.1.	Investment in Mutual Fund at Fair Value through Profit & Loss						
	Quoted						
	(i) UTI Infrastructure Fund –Growth	-	-	-	-	50,925	19.04
	Total	-	-	-	-		19.04
8.2.	Investment in Debentures carried at Amortised Cost						
	Unquoted						
	(i) 1/2% Woodland Medical Centre Ltd.		0.06		0.06		0.06
	(ii) 5% Woodland Medical Centre Ltd.		0.17		0.17		0.17

Total		0.23		0.23		0.23
GRAND TOTAL		0.23		0.23		19.27
Aggregate amount of quoted investments		-		-		19.04
Market value of quoted investments		-		-		19.04
Aggregate amount of unquoted investments		0.23		0.23		0.23
Aggregate amount of impairment in value of investments		-		-		-

9 LOANS- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good)			
Security Deposits	204.14	206.11	243.75
TOTAL	204.14	206.11	243.75

10 OTHER FINANCIAL ASSETS- NON CURRENT

(Rs. lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good)			
Bank Balance more than 12 Month Maturity	41.77	22.14	-
TOTAL	41.77	22.14	-

11 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

				(Rs. lakhs)
Particulars	As at April 1, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
-Carry Forward Losses/Unabsorbed depreciation	968.46	2,272.74		3,241.20
-Disallowance under section 43B	28.18	17.51		45.69
-Other Ind AS adjustment	5.76	(5.76)		(0.00)
-Remeasurements of the defined benefit plans	-		5.60	5.60
Sub- Total (a)	1,002.40	2,284.49	5.60	3,292.49
Deferred Tax Liabilities				
-Fixed assets	(3,151.77)	(105.03)		(3,256.80)
-Fair valuation of investment	(1.98)	1.98		-
Sub- Total (b)	(3,153.75)	(103.05)	-	(3,256.80)
Less: MAT Credit Available	-	-	-	-
Net Deferred Tax Assets/ (Liability) (a)+(b)	(2,151.35)	2,181.45	5.60	35.69

Particulars	As at April 1, 2016	Recognized in P&L	Recognized in OCI	As at March 31, 2017
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
-Carry Forward Losses/Unabsorbed depreciation	645.32	323.14		968.46
-Disallowance under section 43B	29.02	(0.84)		28.18
-Provision for doubtful debt and advances	12.36	(12.36)		-
-Fair valuation of investment	0.30	(0.30)		-
-Other Ind AS adjustment	3.02	2.74		5.76
-Remeasurements of the defined benefit plans	-	13.86	(13.86)	-
Sub- Total (a)	690.02	326.24	(13.86)	1,002.40
Deferred Tax Liabilities				
-Fixed assets	(3,379.13)	227.36		(3,151.77)
-Others		-		-
-Fair valuation of investment	-	(1.98)		(1.98)
Sub- Total (b)	(3,379.13)	225.38	-	(3,153.75)
Less: MAT Credit Available	-	-	-	-
Net Deferred Tax Assets/ (Liability) (a)+(b)	(2,689.11)	551.62	(13.86)	(2,151.35)

12 OTHER NON CURRENT ASSETS

Particulars	(Rs. lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	21.10	760.75	408.01
Others			
Preoperative & others	-	2.09	1.04
TOTAL	21.10	762.84	409.05

13 INVENTORIES (at cost or net realisable value, whichever is lower)

(Rs. lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material			
Inventories	1,338.57	1,525.07	2,231.06
Goods in Transit	4.07	52.94	129.17
Work- in –Progress	213.45	156.52	326.38
Finished Goods			
Inventories [including trading goods Rs. 543.51 Lakhs (P.Y Rs. 736.59 Lakhs)]	5,477.60	7,085.21	7,959.46
Goods in Transit	243.03	275.37	329.85
Stores & spares	123.93	160.23	116.21
TOTAL	7,400.65	9,255.34	11,092.13

14 INVESTMENTS (CURRENT)
(Rs. lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares/units	Amount	No. of Shares/units	Amount	No. of Shares/units	Amount
Investment in Mutual Fund Fair Value through Profit & Loss –						
Quoted						
(i) UTI Infrastructure Fund -Growth		-	16,000.36	291.89	-	-
		-		291.89		-
Aggregate amount of quoted investments		-		291.89		-
Market value of quoted investments		-		291.89		-

15	TRADE RECEIVABLES	(Rs. lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Unsecured				
-Considered Good	10,583.86	12,469.95	14,324.19	
-Considered Doubtful	-	-	40.00	
	10,583.86	12,469.95	14,364.19	
Less: Provision for bad and doubtful receivable	-	-	(40.00)	
TOTAL	10,583.86	12,469.95	14,324.19	

16.1	CASH AND CASH EQUIVALENTS	(Rs. lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Balance with banks				
On Current Accounts	1,528.05	192.11	104.80	
Cash on hand	3.17	4.90	12.41	
Cheque, drafts on hand	19.80	615.30	749.32	
Bank deposits with maturity of less than 3 months	6.66	1.73	-	
TOTAL	1,557.68	814.04	866.53	
16.2	Bank Balance other than Cash and Cash Equivalents			
Unpaid dividend	7.09	10.01	11.75	
Margin Money	19.46	9.85	6.96	
Fixed Deposit Account	331.45	345.77	17.46	
TOTAL	358.00	365.63	36.17	

17	OTHER FINANCIAL ASSETS- CURRENT	(Rs. lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Other Receivables (refer note 52)	2,399.37	3,613.23	1,605.25	
Interest accrued	10.27	1.68	2.13	
Security Deposit	1.00	1.00	1.00	
TOTAL	2,410.64	3,615.91	1,608.38	

18	CURRENT TAX ASSETS/(LIABILITIES) (NET)	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Advance Income Tax	2,809.28	2,843.93	2,838.44
	Less: Provision for Income Tax	2,531.50	2,531.50	2,531.50
	TOTAL	277.78	312.43	306.94

19	OTHER CURRENT ASSETS	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Advances other than capital advances			
	Advances to suppliers	273.73	306.37	209.24
	Others			
	Advance to employee	5.37	32.11	37.41
	Prepaid expenses	182.68	131.90	227.44
	Balance With Govt. Authorities & Others	872.78	1,147.59	1,209.39
	Other receivable	168.58	174.17	178.59
	TOTAL	1,503.14	1,792.14	1,862.07

20	EQUITY SHARE CAPITAL	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Authorised			
	4,00,00,000 (31st March,2017: 4,00,00,000 and 1st April, 2016: 4,00,00,000) equity shares of Rs. 2/- each	800.00	800.00	800.00
	Issued, subscribed and fully paid up			
	1,89,45,975 (31st March,2017: 1,89,45,975 and 1st April, 2016: 1,89,45,975) equity shares of Rs. 2/- each	378.92	378.92	378.92
	Share Forfeiture Account	0.01	0.01	0.01
		378.93	378.93	378.93

	Notes:						
(i)	Reconciliation of number of shares and share capital outstanding at the beginning and end of the year						
	Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
	Number of shares at the beginning	1,89,45,975	378.92	1,89,45,975	378.92	1,89,28,100	378.56
	Add: Shares issued	-	-	-	-	17,875	0.36
	Number of shares at the end	1,89,45,975	378.92	1,89,45,975	378.92	1,89,45,975	378.92

(ii) **Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs 2 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion to their shareholding.

(iii) During the five years immediately preceding 31st March, 2018, the Company has not allotted any equity shares as bonus shares and also not issued any share for consideration other than cash.

(iv)	Details of shareholders holding more than 5% shares in the Company
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Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares	% of shares held	Number of shares	% of shares held	Number of shares	% of shares held
Hind Strategic Investments Ltd.	58,41,570	30.83%	58,41,570	30.83%	58,41,570	30.83%
Hexa Securities and Finance Co. Ltd.	15,00,000	7.92%	15,00,000	7.92%	15,00,000	7.92%
Nalwa Sons Investments Ltd (Formerly Jindal Strips Ltd.)	13,72,590	7.24%	13,72,590	7.24%	13,72,590	7.24%
Colorado Trading Company Ltd.	12,24,635	6.46%	12,24,635	6.46%	12,24,635	6.46%
Nalwa Investments Ltd.	11,93,855	6.30%	11,93,855	6.30%	11,93,855	6.30%

The Company does not have any holding / ultimate holding company.

(v) 35,52,370 equity shares of face value Rs. 2/- each have been allotted on 27th April 2018 at the price of Rs. 140/- per share (including premium Rs. 138/- per shares) aggregating to Rs. 4,973.32 lakhs, approved by the Board of Directors in their meeting held on March 22, 2018, to the eligible equity shareholders on right basis in the ratio of 6 equity shares for every 32 equity shares.

21	Other equity	Reserves & Surplus				Other Comprehensive Income	(Rs. lakhs)
	Particulars	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	Total
	Balance as at April 1, 2016 (Ind AS)	961.10	27.27	3,758.51	14,183.25	-	18,930.13
	-Profit or Loss for the year				(969.34)		(969.34)
	-Other comprehensive income for the year					31.01	31.01
	-Movement during the year		12.39				12.39
	Balance as at March 31, 2017	961.10	39.66	3,758.51	13,213.91	31.01	18,004.19
	-Profit or Loss for the year				(4,555.50)		(4,555.50)
	-Other comprehensive income for the year					(12.53)	(12.53)
	-Movement during the year		(10.93)				(10.93)
	Balance as at March 31, 2018	961.10	28.73	3,758.51	8,658.41	18.48	13,425.23

22	NON-CURRENT BORROWINGS	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Secured			
	Term Loans :			
	- from Banks	219.30	1,048.51	1,878.46

- from Financial Institutions	2,147.77	2,314.45	2,425.00
- from others (vehicle loan)	18.40	-	-
	2,385.47	3,362.96	4,303.46
Less: Current Maturity of Long term Debt (refer note 27)	411.38	995.89	946.75
	1,974.09	2,367.07	3,356.71
Unsecured			
- from related party in foreign currency (refer note 47)	520.35	-	-
	520.35	-	-
TOTAL	2,494.44	2,367.07	3,356.71

SECURITY

Term Loans from banks

Loans of Rs. 75.30 lakhs (March 31, 2017 Rs. 376.51 lakhs), ROI 10.95%, taken from HDFC Bank Ltd, originally repayable in 45 monthly installments, rescheduled to 11 Quarterly installments, starting from 29.11.2015 and ending on 29.05.2018 and Loans of Rs. 144.00 lakhs (March 31, 2017 Rs. 672.00 lakhs), ROI 11.25 %, taken from State Bank of India, repayable in 28 monthly installments starting from 30.04.2016 and ending on 31.07.2018.

Above loans are secured by (i) first charge, ranking pari passu, by way of an equitable mortgage on the land and building, and hypothecation of other fixed assets thereon, at the Company's factory at Nashik, Maharashtra (ii) first charge, ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliur, Taluka-Gummidipoondi, District - Thiruvallur, Tamil Nadu; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.

Term Loans from financial institutions

Loans of Rs. 405.90 lakhs (March 31, 2017 Rs. 458.01 lakhs), ROI 13.5%, taken from India Bulls Housing Finance Ltd, repayable in 84 monthly installments starting from 05.05.2016 and ending on 05.04.2023 are secured by first charge on company's immovable property situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

Loans of Rs. 1741.87 lakhs (March 31, 2017 Rs. 1856.44 lakhs), ROI 13.0%, taken from Religare Finvest Ltd, repayable in 117 monthly installments starting from 01.08.2016 and ending on 01.04.2026 are secured by First charge on company's the immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Distt- Bulandshahr (U.P).

Vehicle Loan

Loans of Rs. 18.40 lakhs (March 31, 2017: Nil), ROI 8.75%, taken from Toyota Financial Service India Ltd, repayable in 84 monthly installments starting from 22.01.2018 and ending on 20.12.2024

23	OTHER FINANCIAL LIABILITIES- NON CURRENT	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Security Deposit			
	-From others	22.73	27.60	30.38
	Others	-	-	-
	TOTAL	22.73	27.60	30.38

24	PROVISIONS- NON CURRENT	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Provision for employee benefits			
	-Gratuity (refer note 42)	325.03	315.22	287.11
	-Provision for Leave Benefit (refer note 42)	45.59	59.61	52.28
	Others	300.00	300.00	300.00
	TOTAL	670.62	674.83	639.39

25	CURRENT BORROWINGS	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Secured			
	Loans Repayable on Demand			
	From Banks (Cash Credit and WCDL)	11,704.72	10,768.51	9,402.18
	Unsecured			
	Loans Repayable on Demand			
	From other parties	500.00	-	-
	Bill Discounting	2,798.39	2,944.26	3,022.00
	TOTAL	15,003.11	13,712.77	12,424.18

Cash Credit and WCDL from Banks

Secured by (i) first charge , ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) second charge , ranking pari passu, (a) on the fixed assets of the Company at its factory situated at Sikandrabad ,Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village - Chinnapuliyur , Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu ; and hypothecation of plant and machinery to be purchased out of term loan.

Rate of borrowing: 11.15% p.a. - 14.85% p.a.

The details of delay in repayment of borrowing as at March 31, 2018 is as follows:

Particulars	Amount	Period of delay
Principal		
State bank of India	926.32	Less than 60 Days
Punjab National Bank	12.23	Less than 30 Days
Corporation Bank Ltd	116.63	Less than 60 Days
Axis Bank Ltd	1,465.81	Less than 60 Days

26	TRADE PAYABLES	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Micro & small enterprises*	3.48	-	-
	Acceptances	2,374.78	2,597.60	1,885.86
	Other trade payable	11,573.49	10,309.59	10,660.23
	TOTAL	13,951.75	12,907.19	12,546.09

*The company has received intimation from some of the Micro & Small enterprises and their dues have been settled in full, except as stated above.

With the above exception, the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

27	OTHER FINANCIAL LIABILITIES- CURRENT	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Current maturities of long-term debt (refer note 22)	411.38	995.89	946.75
	Interest accrued	40.75	57.89	37.55
	Unpaid Dividend*	7.09	10.01	11.75
	Creditors for Capital expenditure	333.51	172.88	146.83
	Others			
	Employee's Payables	338.53	262.51	174.56

	Others (Operating expenses)	591.53	549.32	1,141.06
	TOTAL	1,722.79	2,048.50	2,458.50

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

28	OTHER CURRENT LIABILITIES	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Advances from customers	350.00	178.94	380.26
	Other Payables	-	-	-
	Statutory dues	1,210.91	874.42	551.82
	TOTAL	1,560.91	1,053.36	932.08

29	PROVISIONS- CURRENT	(Rs. lakhs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Provision for employee benefits			
	-Gratuity (refer note 42)	189.49	123.09	132.25
	-Provision for Leave Benefit (refer note 42)	2.18	5.85	4.89
	TOTAL	191.67	128.94	137.14

30	REVENUE FROM OPERATIONS	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a)	Sale of products		
	Finished Goods	27,382.08	39,239.12
	Sale of Services	172.18	49.11
		27,554.26	39,288.23
b)	Other operating Revenues;		
	Scrap Sales	213.02	110.00
	Others	6.50	13.05
		219.52	123.05
	TOTAL	27,773.78	39,411.28

Note: Post applicability of Goods and Services Tax (GST) w.e.f July 01, 2017, revenue from operations are disclosed net of GST. However, the corresponding figures for previous year were inclusive of excise duty. Accordingly, revenue from operations for the year ended 31st March 2018 are not comparable with the figures of previous year.

31	OTHER INCOME	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Interest Income		
	-Bank Deposits	43.95	8.85
	-Others	2.13	1.60
	Profit on sale/Fair value of investments	3.44	26.04
	Other Non-Operating Income		
	-Rent	-	0.25
	-Miscellaneous Receipts- refer note 59	14.93	161.37
	TOTAL	64.45	198.11

32	COST OF MATERIALS CONSUMED	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Organic acid/chemicals	2,892.10	4,538.58
	Pigments	1,672.47	2,701.40

	Solvent & Oils	5,337.89	5,961.02
	Packages and Packing Materials	1,836.37	2,411.93
	Others*	2,135.58	3,443.74
	*include individual items of less than 10% of the total and therefore, not considered for the above classification		
	TOTAL	13,874.41	19,056.67

33	PURCHASE OF STOCK-IN-TRADE	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Purchase of stock in trade	5,161.59	4,204.23
	TOTAL	5,161.59	4,204.23

34	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Closing Stock		
	Work in progress	213.45	156.53
	Finished Goods	5,720.63	7,360.58
		5,934.08	7,517.11
	Opening Stock		
	Work in progress	156.53	326.38
	Finished Goods	7,360.58	8,289.31
		7,517.11	8,615.69
	(Increase)/ Decrease in Inventory	TOTAL	1,098.58
		1,583.03	1,098.58

35	EMPLOYEE BENEFIT EXPENSES	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Salaries and wages*	3,426.34	3,127.64
	Contribution to provident & other funds	230.48	191.92
	Expense/(reversal) on Employee Stock Option Scheme	(7.20)	13.08
	Staff Welfare Expenses	291.24	199.64
	TOTAL	3,940.86	3,532.28

*Current year expenditure includes Rs. 135.20 Lakhs (P.Y. Rs. 150.48 Lakhs) incurred on research & development activities

36	FINANCE COST	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Interest Expenses		
	On Working Capital & Term loan	2,292.47	1,940.13
	Foreign exchange (gain) / loss	1.44	14.41
	Other Borrowing Costs	297.87	302.68
	TOTAL	2,591.78	2,257.22

37	DEPRECIATION AND AMORTIZATION EXPENSES	(Rs. lakhs)	
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Depreciation on Property, Plant & Equipment	732.49	739.93
	Amortisation of Intangible Assets	55.47	74.43
	TOTAL	787.96	814.36

38	OTHER EXPENSES	(Rs. lakhs)	
		Year ended March 31, 2018	Year ended March 31, 2017
	Particulars		
	Consumption of stores and spare parts*	53.22	41.88
	Power and fuel	270.87	234.71
	Rent	521.65	516.30
	Repairs to building	15.72	7.70
	Repairs to plant and machinery*	69.95	65.37
	Repairs – others	204.56	183.40
	Insurance	69.84	63.66
	Rates and taxes	39.72	17.51
	Printing and stationery	33.96	33.78
	Communication expenses	104.51	115.72
	Directors' fees	10.10	4.60
	Payment to Auditors	19.36	13.89
	C&F Charges	127.67	129.43
	Travelling expenses	622.76	566.14
	Application Charges	170.30	49.11
	Freight	2,494.69	2,794.91
	Loss on sale of fixed assets	3.68	76.66
	Bad Debts	30.59	-
	Miscellaneous Expenses*	1,117.28	819.18
		5,980.43	5,733.95

*including expenditure on research & development activities, incurred during the year is Rs. 34.56 Lakhs (previous year Rs. 34.41 Lakhs).

(Rs. Lakhs)

Payment to Auditors			
As Auditor :			
	Audit Fees	7.25	6.60
	Certification fees and other Services	7.15	2.75
	Reimbursement of expenses	3.46	3.29
	TOTAL	17.86	12.64
Payment to Tax Auditors			
	Tax Audit Fees	1.50	1.25
	TOTAL	1.50	1.25

39	Tax Expenses	(Rs. lakhs)	
		Year ended March 31, 2018	Year ended March 31, 2017
	Particulars		
a)	Income tax recognized in profit or loss		
	Current tax expense		
	Current year	-	-
	Deferred tax expense/(income)		
	Origination and reversal of temporary differences	(2,181.45)	(551.62)
		(2,181.45)	(551.62)

b) Effective tax Reconciliation		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit/(Loss) before tax	(6,736.95)	(1,520.96)
Enacted tax rates for company i.e. Shalimar Paints Ltd.	30.90%	30.90%
Computed tax (Income)/expense	(2,081.72)	(469.98)
Adjustment for:		
Additional allowance for tax purpose 35(2AB)	(28.64)	(57.81)

Disallowance u/s 43B	17.51	0.46
Deferred Tax related to Property, Plant & Equipments	(91.46)	(38.83)
Others	2.86	14.53
Income tax expense reported	(2,181.45)	(551.62)
Effective Income tax rate	32.38%	36.27%

40	A. Contingent Liabilities and claims against the Company			
	(Rs. lakhs)			
	PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Contingent liabilities, to the extent not provided for in respect of:			
	Guarantees, Undertakings & Letter of Credit			
a.	Guarantees issued by the Company's Bankers on behalf of the Company	195.91	882.06	774.40
b.	Demands			
	Excise Duty	855.95	391.86	302.59
	Sales Tax (excluding liability on account of C/F/Other forms) The management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect)	1,636.51	772.97	676.73
	Income Tax	62.73	62.73	53.68
	Others	1,634.75	183.32	73.86
	It is not possible to predict the outcome of the pending litigations with accuracy, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The management believe the ending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.			
	B. Commitments			(Rs.lakhs)
	PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of Rs. 21.09 Lakhs (March 31, 2017 Rs 760.75 lakhs; March 31, 2016 Rs 411.60 lakhs)	166.53	542.67	1.42
	(ii) Uncalled liability on partly paid up shares	40.50	40.50	40.50

41	EARNING PER SHARE		Rs Lakhs
	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	(a) Net profit/ (loss) as attributable for equity shareholders	(4,555.50)	(969.34)
	(b) Weighted average number of equity shares (Nos.)	18,945,975	18,945,975
	(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	30,875	98,400
	(d) Weighted average number of Equity shares in computing diluted earning per share	18,976,850	19,044,375
	Basic Earnings per Share	(24.04)	(5.12)
	Diluted Earnings per Share*	(24.04)	(5.12)

*Effect being antidilutive, hence ignored.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

42 'Employee Benefits', in accordance with Accounting Standard (Ind AS-19) :

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

The Company has recognised an expense of Rs. 123.45 lakhs (Previous Year Rs. 117.42 lakhs) towards the defined contribution plan.

b) Defined benefits obligation - as per actuarial valuation

Particulars	(Rs. Lakhs)			
	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity Funded	Leave Encashment Non-Funded	Gratuity Funded	Leave Encashment Non-Funded
I) Change in present value of obligation				
Present Value of obligation at the beginning of the year	439.04	65.46	436.95	57.17
- Current Service Cost	42.08	13.56	31.89	11.02
- Past Service Cost	0.01	-	-	-
- Interest Cost	32.05	4.78	34.3	4.49
- Acquisition cost	-	-	-	-
Actuarial loss/(gains) on Obligation	18.08	(35.62)	(46.25)	4.08
Benefits Paid	(14.39)	(0.42)	(17.85)	(11.30)
Present Value of obligation as at year-end	516.87	47.77	439.04	65.46
II) Change in Fair Value of Plan assets during the year				
Plan assets at the beginning of the year	0.73	-	17.58	-
Investment Income	0.05	-	1.38	-
Employer's contribution	16.01	0.42	1.00	11.30
Benefits paid	(14.39)	(0.42)	(17.85)	(11.30)
Actuarial Gain / (Loss) on Assets	(0.05)	-	(1.38)	-
Plan assets at the end of the year	2.34	-	0.73	-
III) Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1) Present Value of obligation as at year-end	516.87	47.77	439.04	65.46
2) Fair value of plan assets at year -end	2.34	-	0.73	-
3) Funded status {Surplus/(Deficit)}	(514.53)	(47.77)	(438.31)	(65.46)
IV) Expenses recognised in the Statement of Profit and Loss				
1) Current Service Cost	42.08	13.56	31.89	11.02
2) Interest Cost	32.00	4.78	32.92	4.49
3) Past service Cost	0.01	-	-	-
4) Expected return on plan assets	-	-	-	-
5) Actuarial (Gain) / Loss	-	(35.62)	-	4.08
Total Expenses	74.09	(17.28)	64.81	19.59
V) Expenses recognised in the Statement of Other Comprehensive Income				
1) Net Actuarial (Gain)/Loss	18.13	-	(44.87)	-
VI) Division of DBO at the end of the year				
1) Current Liability	189.49	2.18	123.09	5.85
2) Non-Current Liability	327.37	45.59	315.95	59.61

VII) Actuarial Assumptions				
1) Discount Rate	7.70%	7.70%	7.30%	7.30%
2) Mortality Table	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate	As per IALM 2006-08 Ultimate
3) Salary Escalation	2.00%	2.00%	2.00%	2.00%

The Estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary.

VIII)				(Rs. Lakhs)	
Particulars	Actual Rate on Plan Assets		Estimates of Contribution for next year		
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	
	Funded	Funded	Funded	Funded	
1) Gratuity	-	-	569.02	489.43	

IX) History of experience adjustment	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Gratuity					
Present value of obligation	516.87	439.04	436.95	420.06	464.32
Fair value of plan assets	2.34	0.73	17.58	35.40	78.45
Net assets/(liabilities)	(514.52)	(438.31)	(419.37)	(384.66)	(385.87)
Actuarial (gain)/loss on obligation	18.08	(46.25)	(1.64)	(69.04)	38.62
Actuarial gain/(loss) on plan assets	(0.05)	(1.38)	(0.77)	3.04	(4.71)
Leave Encashment					
Present value of obligation	47.77	65.46	57.17	68.71	102.85
Fair value of plan assets	-	-	-	-	-
Net assets/(liabilities)	(47.77)	(65.46)	(57.17)	(68.71)	(102.85)
Actuarial (gain)/loss on obligation	(35.62)	4.08	1.98	6.37	36.33
Actuarial gain/(loss) on plan assets	-	-	-	-	-

X) Sensitivity Analysis					
Assumption	Changes in assumption	Year ended March 31, 2018		Year ended March 31, 2017	
		Impact on Liabilities		Impact on Assets	
		Increase	Decrease	Increase	Decrease
Gratuity					
Discount Rate	-/+ 1% movement	25.98	23.02	24.18	21.36
Future Salary Growth	+/- 1% movement	28.15	25.23	24.51	21.98
Leave Encashment					
Discount Rate	-/+ 1% movement	4.31	3.74	5.86	5.09
Future Salary Growth	+/- 1% movement	4.90	4.30	5.98	5.27

XI Description of Risk Exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the company is exposed to various risks as follow -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The Plan expose the company to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk: This is the risk that the company is not able to meet the short term benefit payout. This may arise due to non- availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

XII The major categories of plan assets for gratuity as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2018	March 31,2017
Fund managed by Insurer	100.00%	100.00%

43 CATEGORY - WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial Assets								(Rs Lakhs)
Particulars	Note	Fair Value Hierarchy	As at March 31,2018		As at March 31,2017		As at April 1,2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial assets designated at fair value through profit and loss								
a) Derivatives - not designated as hedging instruments	A	Level-2	-	-	-	-	-	-
b) Investment	B							
i) In mutual funds		Level-1	-	-	291.89	291.89	19.04	19.04
2. Financial assets designated at amortised cost	C							
a) Other bank balances			358.00	358.00	365.63	365.63	36.17	36.17
b) Cash & Cash Equivalents			1,557.68	1,557.68	814.04	814.04	866.53	866.53
c) Trade & Other receivables		Level-3	10,583.86	10,583.86	12,469.95	12,469.95	14,324.19	14,324.19
d) Investment		Level-3	0.23	0.23	0.23	0.23	0.23	0.23
e) Loans		Level-3	204.14	204.14	206.11	206.11	243.75	243.75
f) Other Financial Assets		Level-3	2,452.41	2,452.41	3,638.05	3,638.05	1,608.38	1,608.38

Financial Liabilities								(Rs Lakhs)
Particulars	Note	Fair Value Hierarchy	As at March 31,2018		As at March 31,2017		As at April 1,2016	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial liability designated at fair value through profit and loss								
a) Derivatives - not designated as hedging instruments	A	Level-2	-	-	-	-	-	-
Financial liability designated at amortised cost								

Borrowings	E	Level-3	17,908.93	17,908.93	17,075.73	17,075.73	16,727.64	16,727.64
Trade & Other Payables	C	Level-3	13,951.75	13,951.75	12,907.19	12,907.19	12,546.09	12,546.09
Other Financial Liability		Level-3	1,334.15	1,334.15	1,080.21	1,080.21	1,542.13	1,542.13

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following methods and assumptions were used to estimate the fair values.

- A. The fair values of derivatives are on MTM as per Bank
- B. Company has opted to fair value its mutual fund & Preference shares investment through profit & loss.
- C. Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities measured at amortized cost is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of other non-current financial assets and liabilities (security deposit taken/given, loans to subsidiary and advance to employees) carried at amortized cost is approximately equal to fair value. Hence carrying value and fair value is taken same.
- D. Ind AS 101 allow company to measure its investment in subsidiaries, JVs and Associates at cost or at fair value on transition to Ind AS, Company has opted to value its investments in subsidiaries, JVs and Associates at cost.
- E. Long-term borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

Fair value hierarchy

Level 1 - Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

44 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

44.1 Financial risk factors

The Company's operational activities expose to various financial risks i.e. Market risk, Credit risk and Liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate risk, interest rate risk and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a.) Foreign Currency Risk and sensitivity

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the company's financial assets and financial liabilities at the reporting date i.e. 31st March 2018, net of related foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary items (Unhedge) are as follows:

Particulars	(Rs. Lakhs)	
	As at 31st March, 2018	As at 31st March, 2018
Financial liabilities		
Borrowings (USD)	(520.35)	-
Net assets / (liabilities)	(520.35)	-

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

5% increase and decrease in foreign exchange rates will have the following impact on profit/(loss) before tax.

Particulars	(Rs. Lakhs)			
	2017-18		2016-17	
	5% Increase	5% decrease	5% Increase	5% decrease
USD Sensitivity	(26.02)	26.02	-	-
Increases/ (decrease) in profit or loss	(26.02)	26.02	-	-

b) Interest Rate Risk and Sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Risk Exposure

Particulars	(Rs. Lakhs)			
	As at 31st March, 2018		As at 31st March, 2017	
	INR	USD	INR	USD
Fixed Rate Borrowings	-	-	-	-
Variable Rate Borrowings	17,388.58	520.35	17,075.73	-
Total Borrowings	17,388.58	520.35	17,075.73	-

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & (Loss) before tax	
	31-Mar-18	31-Mar-17
INR Borrowings		
Interest Rate Increase by 0.50%	(86.94)	(85.38)
Interest Rate decrease by 0.50%	86.94	85.38
USD Borrowings		
Interest Rate Increase by 0.25%	(1.30)	-
Interest Rate decrease by 0.25%	1.30	-

c.) Commodity price risk and sensitivity

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in price of key raw materials in domestic and international markets.

ii. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk arising from trade receivable is managed in accordance with the company's established policy, procedures and control relating to customer credit risk management. The concentration of credit risk is limited due to the fact that the customer base is large.

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Ageing Analysis of Trade Receivables

(Rs. Lakhs)				
Particulars	As 31st March, 2018			
	Not Due	Less Than Six Months	More than Six Months	Total
Unsecured receivable	3,718.30	3,898.76	2,966.80	10,583.86
Provision for Doubtful Receivables	-	-	-	-
Net Balance	3,718.30	3,898.76	2,966.80	10,583.86
Particulars	As 31st March, 2017			
	Not Due	Less Than Six Months	More than Six Months	Total
Unsecured receivable	5,007.99	4,528.72	2,933.24	12,469.95
Provision for Doubtful Receivables	-	-	-	-
Net Balance	5,007.99	4,528.72	2,933.24	12,469.95

iii. Liquidity risk

Liquidity risk refers to risk of financial distress or high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

(Rs. Lakhs)					
Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	17,908.93	12,204.72	3,209.77	2,494.44	17,908.93
Trade & Other payables	1,395.75	7,174.58	6,777.17	-	13,951.75
Other financial liabilities	1,334.15	129.71	1,181.71	22.73	1,334.15

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

(Rs. Lakhs)					
Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	17,075.73	10,768.51	3,940.15	2,367.07	17,075.73
Trade & Other payables	12,907.19	4,658.56	8,248.63	-	12,907.19
Other financial liabilities	1,080.21	121.47	931.14	27.60	1,080.21

44.2 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

(Rs. Lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	17,908.93	17,075.73	16,727.64
Less: cash and cash equivalents	1,557.68	814.04	866.53
Net debt	16,351.25	16,261.69	15,861.11
Total Equity*	13,804.16	18,383.12	19,309.06
Capital and Net debt	30,155.41	34,644.81	35,170.16
Gearing Ratio	54%	47%	45%

*including fair valuation of Property, Plant & Equipment.

Note: Sensitivity analysis for risk management is based on management estimates.

45 Additional Notes

(Rs. Lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a. CIF Value of Imports		
Raw Materials	1,366.87	1,724.99
b. Expenditure in foreign currency		
Purchase of Raw Material	1,349.97	1,646.74
Traveling Expenses	Nil	0.38
Testing Charges	2.14	1.16
Interest expenses	19.40	-
c. Earnings in foreign currency		
FOB Value of Export	809.83	379.52
d. Amount remitted in foreign currency on account of dividend	Nil	Nil

e) Consumption of imported and indigenous raw materials & stores

Particulars	2017-18		2016-17	
	%	Amount	%	Amount
Imported	6.71	933.87	10.71	2,045.87
Indigenous	93.29	12,993.76	89.29	17,052.68
	100.00	13,927.63	100.00	19,098.55

46 SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

I. Option Movement during the year ended Mar 2018

Particulars	March 31, 2018		March 31, 2017	
	No. of options	Wt. avg exercise Price (in Rs.)	No. of options	Wt. avg exercise Price (in Rs.)
No. of Options Outstanding at the beginning of the year	98,400	72.12	1,70,125	71.08
Options Granted during the year	-	-	-	-
Options Forfeited / Surrendered / Lapsed during the year	67,525	72.12	71,725	71.08
Options exercised during the year	-	-	-	-
Number of options Outstanding at the end of the year	30,875	97.19	98,400	72.12

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2018		March 31, 2017	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
43.80- 111.22	30,875	4.73	98,400	4.64

III. Weighted average Fair Value of Options granted during the year

Particulars	March 31, 2018	March 31, 2017
Exercise price is less than market price	102.29	75.70

IV. The weighted average market price of options exercised during the year ended March 31, 2018 is 144.99
The weighted average market price of options exercised during the year ended March 31, 2017 is 107.63

V. Method and Assumptions used to estimate the fair value of options granted during the year ended: The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Variables	March 31, 2018	March 31, 2017
	Weighted Average	Weighted Average
1. Risk-free rate of return	8.15%	8.15%
2. Time to Maturity	1.15	1.64
3. Expected Volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise Price (in Rs.)	97.19	72.12
6. Price of the underlying share in market at the time of the option grant.(in Rs.)	144.99	107.63

Particulars	VI. (Rs. lakhs)	
	March 31, 2018	March 31, 2017
Employee Option plan expense	28.13	35.33
Total liability at the end of the period	28.73	39.66

47 Related Party Disclosure as per Ind AS 24

A. List of Related Party & Relationship

(a) Key Managerial person

1	Mr. Surender Kumar	Managing Director & CEO
2	Mr. Sandeep Gupta	Chief Financial Officer w.e.f. 11/02/2017
3	Mr. Janak Raj Goyal	Chief Financial Officer till 31/01/2017
4	Mr. Nitin Gupta	Company Secretary w.e.f. 01/02/2016
(b) Relative of KMP		
1	Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)	

(c) Other related parties

1 Hind Strategic investments Ltd.

B. Related Party Transaction

		(Rs. Lakhs)		
Particulars	Transaction during the year			
	FY 2017-18	FY 2016-17		
Loans & Advances(Taken)				
Hind Strategic Investment	520.35	-		
Interest Payment on Loan				
Hind Strategic Investment	19.40	-		
Vehicle Hire charges				
Relative of KMP	2.30	-		
Remuneration and other perquisites :-				
(a) short-term employee benefits;	201.07	180.60		
(b) post-employment benefits;	-	-		
(c) other long-term benefits;	-	-		
(d) termination benefits; and	-	-		
(e) share-based payment.	-	-		
		(Rs. Lakhs)		
Particulars	Outstanding Balances at the year ended			
	31st March,2018	31st March,2017	1st April,2016	
Salary Payable				
Surender Kumar	6.14	5.59	-	
Sandeep Gupta	4.22	5.11	-	
Janak Raj Goyal	-	-	-	
Nitin Gupta	0.60	0.59	-	
Interest Payable				
Hind Strategic Investment	1.90	-	-	
Loans & Advances(Taken)				
Hind Strategic Investment	520.35	-	-	

Compensation to Key Management Personnels

(Rs Lakhs)

Particulars	Short-term employee benefits	
	FY 2017-18	FY 2016-17
Surender Kumar	121.54	91.78
Sandeep Gupta	70.89	17.16
Janak Raj Goyal	-	64.28
Nitin Gupta	8.64	7.38

48 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of goodwill & other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes),
- (ii) Discount Rate,
- (iii) Growth Rates and
- (iv) Capital Expenditure

49 Segment information

The Company operates mainly in one business segment (Business Segment) i.e. Paints; accordingly, sales & stock in trade represent paints & allied products.

50 The Company has two subsidiaries, namely "Shalimar Adhunik Nirman Limited" (SANL) & "Eastern Speciality Paints & Coatings Private Limited" (ESPCPL). The information in respect of the said subsidiaries, as required to be given vide general circular no. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, are given below:

Particulars	(Rs. Lakhs)	
	SANL	ESPCPL
Equity Share Capital	9.50	5.00
Other Equity	1,712.68	(2.37)
Total Assets	2,733.38	2.99
Total Liabilities	2,733.38	1.99
Detail of investment	Nil	Nil
Revenue from operation	Nil	Nil
Profit before tax	(27.54)	(2.37)
Tax expenses	(14.81)	-
Profit after tax	(12.73)	(2.37)
Proposed Dividend	Nil	Nil

Since there is no business activities by the ESPCPL, no turnover, tax and profit have been reported during the year as well as in the previous year.

51 The Company has re- commissioned its Chennai Plant and started its commercial production w.e.f 4th September 2017.

52 Other receivable includes insurance claim receivable Rs. 904.45 lakhs (net of Rs. 1099.73 lakhs received during the year) related to Nashik plant and Rs. 1474.81 lakhs related to Howrah Plant. The above claim of receivables are

accounted for on estimated basis pending final assessment by the insurer. The policy is on Reinstatement basis, and Loss of profit for 6 months is yet to be assessed by the Insurer.

- 53** Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.
- 54** Term Loan from financial institutions represent loan availed by company for working capital for business needs.
- 55** The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of Rs. 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goaberia as a security.
- 56** Pursuant to the Scheme of Merger of Woodlands Medical Centre Limited with Woodlands Multispecialty Hospital Ltd., as approved by the Calcutta High Court on 29.11.2010, the Company applied for 2350 shares of Rs. 10 each fully paid up in Woodlands Multispecialty Hospital Ltd against debenture of Rs. 23,500 held in Woodlands Medical Centre Limited. Pending allotment, the same has been retained as debentures.
- 57** The company has considered fair value as deemed cost on date of transition to Ind AS i.e. 1st April 2016 of certain items of its Property plant and equipment i.e Land, Building, Plant & Machinery and other assets. In accordance with option given under Ind AS 101 resulted impact of fair value has been recognised in Other Equity. Accordingly PPE value is increased by Rs. 15,739.96 lakhs and depreciation reflected in statement of profit & loss of current year is higher by Rs. 276.08 Lakhs for the year ended 31st March 2018 and to that extent loss is higher.
- 58** Some of the Financials assets & liabilities including trade receivables, trade payables and advances, are pending for confirmation/ reconciliation, and impact of the same on financial statements, if any, is unascertained.
- 59** Miscellaneous Receipts include debtors/creditors written back Rs. 0.21 lakhs (Previous Year Rs 146.41 lakhs).
- 60** Finance charges include foreign exchange loss of Rs 1.44 lakhs (previous year Rs 14.41 lakhs).

61 FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2018, have been prepared in accordance with Ind AS, for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with 1st April, 2016 as the transition date and IGAAP as the previous GAAP.

This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP, including the balance sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A Exemptions Applied:

Ind AS 101 First time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemptions which have been explained below:

(i) Property, Plant and Equipment

The Company has elected to measure certain items of its of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2016.

(ii) Share based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to: (i) equity instruments that vested before the date of transition to Ind AS, (ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS. The Company has opted not to apply Ind AS 102 to the equity instruments vested before the date of transition.

B. Ind AS Mandatory Exceptions

(i) Estimates

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model, fair valuation of financial instruments carried at FVTPL in accordance with Ind AS at the date of transition as these were not required under Indian GAAP.

(ii) Classification and Measurement of Financial Assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

(iii) Derecognition of Financial Assets and Liabilities

The Company has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the periods previously reported under Indian GAAP following the date of transition to Ind AS.

61(i) Reconciliation of Balance sheet as reported in previous GAAP to IND AS

(Rs Lakhs)

Particulars	As at April 1,2016		
	IGAAP	Adjustments	IND AS
ASSETS			
1 Non Current Asset			
a Property, Plant & Equipment	7,203.90	15,739.94	22,943.84
b Capital work-in-progress	553.14	-	553.14
c Other Intangible assets	257.18	-	257.18
d Financial Assets			-
i) Investments	20.23	(0.96)	19.27
ii) Loans	612.26	(368.51)	243.75
iii) Other financial assets	-	-	-
e Deferred tax assets (net)	345.89	(345.89)	
f Other non-current assets	1.04	408.01	409.05
2 Current Asset			
a Inventories	11,092.13	-	11,092.13
b Financial Assets			
i) Investments			-
ii) Trade receivables	14,324.19	-	14,324.19
iii) Cash and cash equivalents	902.70	(36.17)	866.53
iv) Bank balances other than (iii) above	-	36.17	36.17
v) Loans	553.67	(553.67)	-
vi) Other financial assets	-	1,608.38	1,608.38
c Current Tax Assets (Net)	-	306.94	306.94
d Other current assets	3,263.31	(1,401.24)	1,862.07
TOTAL	39,129.64	15,393.00	54,522.64

EQUITY & LIABILITIES			
EQUITY			
a Equity Share Capital	378.93	0.00	378.93
b Other Equity	6,226.15	12,703.98	18,930.13
	6,605.08	12,703.98	19,309.06
LIABILITIES			
1 Non- Current Liabilities			
a Financial Liabilities			
i) Borrowings	3,356.71	-	3,356.71
ii) Other financial liabilities	30.38	-	30.38
b Provisions	771.64	(132.25)	639.39
c Deferred tax liabilities (Net)		2,689.11	2,689.11
2 Current Liabilities			
a Financial Liabilities			
i) Borrowings	9,402.18	3,022.00	12,424.18
ii) Trade payables	15,688.18	(3,142.09)	12,546.09
iii) Other financial liabilities	-	2,458.50	2,458.50
b Other current liabilities	3,270.58	(2,338.50)	932.08
c Provisions	4.89	132.25	137.14
TOTAL	39,129.64	15,393.00	54,522.64

61(ii). Reconciliation of Balance Sheet as reported under Previous GAAP to Ind AS

Particulars		As at March 31, 2017		
		IGAAP	Adjustments	IND AS
ASSETS				
1	Non Current Asset			
a	Property, Plant & Equipment	6,673.66	15,313.06	21,986.72
b	Capital work-in-progress	1,373.99	-	1,373.99
c	Other Intangible assets	185.38	(0.01)	185.37
d	Financial Assets			
	i) Investments	0.23	-	0.23
	ii) Loans	939.66	(733.55)	206.11
	iii) Other financial assets	-	22.14	22.14
e	Deferred tax assets (net)	718.98	(718.98)	-
f	Other non-current assets	2.09	760.75	762.84
2	Current Asset			
a	Inventories	9,255.34	-	9,255.34
b	Financial Assets			
	i) Investments	285.47	6.42	291.89
	ii) Trade receivables	12,469.95	-	12,469.95
	iii) Cash and cash equivalents	1,201.80	(387.76)	814.04

	iv)Bank balances other than (iii) above	-	365.63	365.63
	v)Loans	650.91	(650.91)	-
	vi)Other financial assets	-	3,615.91	3,615.91
c	Current Tax Assets (Net)	-	312.43	312.43
d	Other current assets	5,094.33	(3,302.19)	1,792.14
	TOTAL	38,851.79	14,602.94	53,454.73
EQUITY & LIABILITIES				
	EQUITY			
a	Equity Share Capital	378.93	-	378.93
b	Other Equity	5,552.62	12,451.57	18,004.19
		5,931.55	12,451.57	18,383.12
	LIABILITIES			
1	Non Current Liabilities			
a	Financial Liabilities			
	i)Borrowings	2,367.07	-	2,367.07
	ii)Other financial liabilities	27.60	-	27.60
b	Provisions	797.92	(123.09)	674.83
c	Deferred tax liabilities (Net)	-	2,151.35	2,151.35
2	Current Liabilities			
a	Financial Liabilities			
	i)Borrowings	10,768.51	2,944.26	13,712.77
	ii)Trade payables	16,024.30	(3,117.11)	12,907.19
	iii)Other financial liabilities	-	2,048.50	2,048.50
b	Other current liabilities	2,928.99	(1,875.63)	1,053.36
c	Provisions	5.85	123.09	128.94
	TOTAL	38,851.79	14,602.94	53,454.73

61(iii) Reconciliation of Total Comprehensive Income as previously reported under IGAAP to Ind AS for the year ended March31, 2017

Particulars		IGAAP	Adjustments	IND AS
I	Revenue From Operations	36,927.01	2,484.27	39,411.28
II	Other Income	190.73	7.38	198.11
III	Total Revenue (I+II)	37,117.74	2,491.65	39,609.39
IV	EXPENSES			
	Cost of materials consumed	19,056.67	0.00	19,056.67
	Purchases of Stock-in-Trade	4,204.23	-	4,204.23
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1,098.58	(0.00)	1,098.58
	Excise duty on sale		4,433.06	4,433.06

	Employee benefits expense	3,478.52	53.76	3,532.28
	Finance costs	2,257.14	0.08	2,257.22
	Depreciation and amortization expense	424.58	389.78	814.36
	Other expenses	7,645.73	(1,911.78)	5,733.95
	Total expenses	38,165.45	2,964.90	41,130.35
V	Profit/(loss) before exceptional items and tax (III-IV)	(1,047.71)	(473.25)	(1,520.96)
VI	Exceptional items	-	-	-
VII	Profit/(loss) before tax (V-VI)	(1,047.71)	(473.25)	(1,520.96)
VIII	Tax expense			
	Current Tax	-	-	-
	Deferred tax	(373.09)	(178.53)	(551.62)
IX	Profit/(loss) for the period	(674.62)	(294.72)	(969.34)
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss	-	44.87	44.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	13.86	13.86
XI	Total Comprehensive Income (IX+X)	(674.62)	(263.71)	(938.33)

Reconciliation of movement in profit & loss for the year ended March 31, 2017

Particulars	31.03.2017
Reported net profit for the period as per Indian GAAP	(674.62)
Changes consequent to Ind AS adoption:-	
a) Fair Valuation of Employee Stock Option Plan	(8.88)
b) Impact due to Fair Valuation of current/ non current Investment other than Subsidiary	7.39
c) Impact of fair valuation of Pref Share	-
d) Remeasurement of defined benefit obligation	(44.87)
e) Depreciation due to Fair valuation of PPE	(389.77)
f) Loss on sale/transfer of PPE due to Fair valuation	(37.11)
g) Tax Adjustment	178.52
Net profit before OCI as per Ind AS	(969.34)
Other Comprehensive Income	
Actuarial Gain/(loss)- net of tax	31.01
Total Comprehensive Income	(938.33)

61(iv) Other Equity Reconciliation
Other equity as at 1st April 2016

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	Revaluation surplus	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2016 as per IGAAP	32.24	961.10	280.72	17.51	3,758.51	1,176.07	-	6,226.15
Re-measurement								-
-Valuation of investment at fair value						(0.96)		(0.96)
-Fair value of PPE						15,739.96		15,739.96
-Defined Benefit Obligation/ Plan								
-Other Ind AS adjustment	(32.24)		(280.72)	9.76		303.20		-
-Deferred tax on above adjustment						(3,035.02)		(3,035.02)
Restated Balance as at April 1, 2016	-	961.10	-	27.27	3,758.51	14,183.25	-	18,930.13

Other equity as at 31st March 2017

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	Revaluation surplus	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at March 31, 2017 as per IGAAP	32.24	961.10	280.72	18.60	3,758.51	501.45	-	5,552.62
Remesurement								-
-Valuation of investment at fair value						6.42		6.42
-Income on Preference shares						-		-
-Fair value of PPE						15,313.08		15,313.08

-Fair value of ESOP				11.30		(8.88)		2.42
-Defined Benefit Obligation/ Plan						(44.87)	44.87	-
-Other Ind AS adjustment	(32.24)		(280.72)	9.76		303.20		-
-Deferred tax on above adjustment						(2,856.49)	(13.86)	(2,870.35)
Restated Balance as at March 31, 2017	-	961.10	-	39.66	3,758.51	13,213.91	31.01	18,004.19

61(v) Notes to first-time adoption:

i. Property, Plant and Equipment carried at deemed cost

The Company has opted the option of fair value as deemed cost for the Property Plant and Equipment as on the date of transition to Ind AS i.e. 1st April 2016 and impact of Rs. 15739.96 Lakhs in accordance with said stipulations with resulted impact being accounted for in other equity.

Company has reversed depreciation charged on revaluation of PPE as per previous GAAP and depreciation on Property, Plant and Equipment as per Ind AS has been accounted on fair value.

ii. Investments

Investment in Mutual Fund, these investments have been classified as fair value through Profit and Loss Account (FVTPL) on the date of transition.

iii. Deferred Tax

The Company has accounted for deferred tax on various adjustment between indian GAAP and Ind AS as well as on temporary differences between the carrying amount of assets and liabilities in the balance sheet and corresponding tax bases at the tax rate at which they are expected to be reversed. Corresponding net impact has been recognised in retained earning/profit & loss/Other Comprehensive Income as applicable.

iv. Excise duty, Discount, Rebate & Claims

Under Ind AS, revenue from sale of goods includes excise duty. Excise duty expense is presented separately on the face of the statement of profit and loss as part of expenses.

Under Indian GAAP, Discount, rebate and claim were recognised as expenses which has been adjusted against the revenue from sale of goods under Ind AS during the year ended 31st March 2017.

The said changes do not affect equity as at date of transition to Ind AS, profit after tax.

v. Remeasurements of Defined Benefit Obligations

Under Ind AS, remeasurement benefits relating to defined benefit obligation is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI. Under Previous GAAP, remeasurement benefit of defined benefit obligation, arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss.

The said changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

vi. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

vii. Share based payments

Under Indian GAAP, the Company recognised only the intrinsic value of the stock options given under Employee Stock Option Plan (ESOP) as an expense. Ind AS requires the fair value of share options to be

determined using an appropriate pricing model for the purpose of recognizing expense over the vesting period. Accordingly, change in liability based on fair value of such options outstanding as unvested as at April 1, 2016 has been recognised as a separate component of equity against retained earnings. In statement of profit and loss for the year ended March 31, 2017 employee compensation expense due to fair valuation of options increased.

viii. Financial assets and Financial Liabilities

Financial assets and financial liabilities have been classified as per Ind AS 109 read with Ind AS 32.

ix. Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

62 Financial information pursuant to Schedule III of Companies Act, 2013

Name of Entity	Net Assets i.e. Total Assets - Total Liabilities		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of total comprehensive income	Amount
Holding Company:				
Shalimar Paints Limited	87.70%	12,106.57	99.14%	(930.23)
Subsidiary Company:				
Shalimar Adhunik Nirman Limited	12.48%	1,722.18	1.36%	(12.73)
Eastern Speciality Paints & Coatings Private Limited	0.02%	2.63	0.25%	(2.37)
Elimination	(0.20%)	(27.22)	(0.75%)	7.00
Total	100.00%	13,804.16	100.00%	(938.33)

63 Recent Accounting Pronouncement

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force for financial periods beginning on or after April 1, 2018.

Ind AS 21, Foreign currency transactions and advance consideration

It clarified that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, shall be date when an entity has received or paid advance consideration in a foreign currency.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

As per revised standard an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers, are required to be made.

Transitional provisions provides two options:

i) Under the Retrospective approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

ii) Under the Cumulative catch - up approach, the cumulative effect of initially applying the standard shall be recognized retrospectively at the date of initial application i.e. 1st April 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition approach and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

64 Previous year figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current year's classification.

65 Notes 1 to 65 are annexed to and form an integral part of the financial statements.

As per our report of event date

For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)

For and on behalf of the Board

Anup Kumar Dubey
Partner
(M. No. 057141)

Surender Kumar
Managing Director & CEO
DIN: 00510137

Pushpa Chowdhary
Director
DIN:- 06877982

Sandeep Gupta
Chief Financial Officer

Nitin Gupta
Company Secretary
M. No. F8485

Place: Gurugram
Date: May 23, 2018

Limited Review Report on Quarterly and Six Months period ended on September 30, 2018 of Unaudited Financial Results of Shalimar Paints Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors of
SHALIMAR PAINTS LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of SHALIMAR PAINTS LIMITED ('the Company') for the quarter and six months ended 30th September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation, 2015 ('Listing Regulation'). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited standalone Financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE 2410) "Review of Interim financial information performed by the Independent Auditor of the Entity", issued by the Institute of The Chartered Accountants of India & specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement(s). A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an Audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) specified/prescribed u/s 133 of the Companies Act, 2013 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A K DUBEY & CO.
Chartered Accountants
Firm Registration No. : 329518E

Arun Kumar Dubey
Partner
Membership No. - 057141

Place: Kolkata
Dated: 25th Oct 2018

Shalimar Paints Limited			
Statement of Standalone Unaudited Assets & Liabilities			
(in Rs. Lakhs)			
Particulars		As at	
		September 30, 2018	March 31, 2018
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipment	21,807	22,061
b	Capital work-in-progress	39	67
c	Intangible assets	158	175
d	Financial Assets		
	i) Investments	73	73
	ii) Loans	933	904
	iii) Other financial assets	42	42
e	Deferred tax assets (net)	1,322	291
f	Other non-current assets	159	21
2	Current assets		
a	Inventories	8,526	7,401
b	Financial Assets		
	i) Investments	-	-
	ii) Trade receivables	10,938	10,584
	iii) Cash and cash equivalents	1,086	1,552
	iv) Bank balances other than (iii) above	781	357
	v) Other financial assets	1,290	2,410
c	Current Tax Assets (Net)	279	278
d	Other current assets	1,683	1,499
	Total Assets	49,116	47,715
II	EQUITY AND LIABILITIES		
	Equity		
a	Equity Share Capital	450	379
b	Other Equity	14,138	11,728
	LIABILITIES		
1	Non-current liabilities		
a	Financial Liabilities		
	i) Borrowings	2,451	2,494
	ii) Trade payables	-	-
	iii) Other financial liabilities	22	23
b	Provisions	698	671
2	Current liabilities		
a	Financial Liabilities		
	i) Borrowings	12,903	15,003
	ii) Trade payables	13,998	13,952

	iii)Other financial liabilities	2,370	1,715
b	Other current liabilities	1,894	1,558
c	Provisions	192	192
	Total Equity and Liabilities	49,116	47,715

For and on behalf of the Board

Surender Kumar
Managing Director and CEO
DIN: 00510137

Place: Gurugram
Date: 25th October, 2018

Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2018							
(Rs in Lakhs except for Shares and EPS)							
		For the Quarter Ended			For the Period Ended		For the Year Ended
		Sept 30, 2018	June 30, 2018	Sept 30, 2017	Sept 30, 2018	Sept 30, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	7,174	5,145	7,081	12,319	15,126	27,774
2	Other Income	39	16	28	55	38	90
3	Total Income	7,213	5,161	7,109	12,374	15,164	27,864
4	Expenses						
	a) Cost of material consumed	5,289	3,501	2,687	8,790	6,658	13,874
	b) Purchase of Stock-in-Trade	446	349	1,686	795	4,169	5,162
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(490)	(112)	1,118	(602)	232	1,583
	d) Excise Duty	-	-	-	-	655	655
	e) Employee benefits expenses	1,059	1000	971	2,059	1,863	3,941
	f) Finance costs	651	621	576	1,272	1,155	2,592
	g) Depreciation & amortisation expenses	210	207	109	417	189	786
	h) Other Expenses	1,531	1,618	1,566	3,149	3,078	5,978
	Total Expenses	8,696	7,184	8,713	15,880	17,999	34,571
5	Profit/Loss before exceptional items and tax (3-4)	(1,483)	(2,023)	(1,604)	(3,506)	(2,835)	(6,707)
6	Exceptional Items	-	-	-	-	-	-
7	Profit/Loss before and tax (5-6)	(1,483)	(2,023)	(1,604)	(3,506)	(2,835)	(6,707)
8	Tax Expenses	(477)	(551)	(624)	(1,028)	(884)	(2,165)
9	Profit/Loss for the period (7-8)	(1,006)	(1,472)	(980)	(2,478)	(1,951)	(4,542)
10	Other Comprehensive Income						
	Items that will not be reclassified to profit or (loss) (net of tax)	(3)	(3)	(1)	(6)	(3)	(13)
11	Total Comprehensive Income (9+10)	(1,009)	(1,475)	(981)	(2,484)	(1,954)	(4,555)
12	Paid-up equity share capital (Face Value of Rs 2 per share)	450	450	379	450	379	379

1 3	Other Equity						11,728
1 4	Earning per share (of Rs. 2 each)						
	Basic	(4.47)	(6.85)	(5.18)	(11.27)	(10.30)	(23.97)
	Diluted*	(4.47)	(6.85)	(5.18)	(11.27)	(10.30)	(23.97)
	(EPS for the quarter not annualised)						
	*Anti-dilutive						
Notes :							
1	The above results were reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on October 25, 2018.						
2	These financials results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and the other recognised accounting practices and policies to the extent applicable.						
3	This statement is as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.						
4	The Company operates mainly in one business segment i.e. Paints.						
5	Post applicability of Goods and Services Tax (GST) w.e.f July 01, 2017, total Income from Operations is disclosed net of GST. However, the corresponding figures for all previous periods were September of excise duty. Accordingly, total Income from operations for the period ended 30 th September 2018 is not comparable with corresponding period ended 30 th September 2017.						
6	The company in its meeting held on October 25, 2018 has decided Rights issue Entitlement Ratio of 3:2 (Three Rights Equity Shares for every two Equity Shares held) at a price of Rs. 64.50/- per share (including a premium of Rs. 62.50/- per share) for an issue of Rs. 21767.15 Lakhs to the eligible shareholders of the Company whose names appear on the Register of Members as at the end of the business hours on the Record date i.e. on 9th November 2018.						
7	During the Jun'18 quarter, 35,52,370 equity shares of face value Rs. 2/- each have been allotted at the price of Rs. 140/- per share (including premium Rs. 138/- per shares) aggregating to Rs. 4,973.32 lakh to the eligible equity shareholders on right basis in the ratio of 6 equity shares for every 32 equity shares held . The proceeds from Right Issue have been/are being utilized for intended purposes.						
8	Previous year's/ quarter's/period's figures have been rearranged/ regrouped wherever considered necessary.						

For and on behalf of the Board

Surender Kumar
Managing Director and CEO
DIN: 00510137

Place: Gurugram
Date: 25th October, 2018

Limited Review Report on Quarterly and Six Months period ended on September 30, 2018 of Unaudited Consolidated Financial Results of Shalimar Paints Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors of
SHALIMAR PAINTS LIMITED**

We have reviewed the accompanying statement of unaudited consolidated financial results of SHALIMAR PAINTS LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiaries viz. Shalimar Adhunik Nirman Limited; Eastern Speciality Paints and Coating Private limited (collectively referred to as “the Group”) for the quarter ended 30th September 2018 (“the Statement”) being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

This preparation of this statement [in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financials Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and further read with SEBI Circular, as stated herein before] is the responsibility of the Company's Management and the Statement has been approved by the Board of Directors. Our responsibility is to issue a report on these Financial Statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE 2410) “Review of Interim financial information performed by the Independent Auditor of the Entity”, issued by the Institute of The Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an Audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) specified/prescribed under section 133 of the Companies Act, 2013, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the interim financial information of the subsidiaries of the Company included in the consolidated financial statements. The financial information of such subsidiaries are not subjected to a limited review and have been furnished to us by the Company's management. Our opinion, in so far as it relates to the affairs of such subsidiaries forming part of the Group is based on management certified financial information.

For A. K. Dubey & CO.,
Chartered Accountants
FRN: 329518E

Arun Kumar Dubey
Partner
Membership No.057141

Place: Gurugram
Dated: 25th October 2018

Shalimar Paints Limited			
Statement of Consolidated Unaudited Assets & Liabilities			
		(Rs. lakhs)	
	Particulars	As at	As at
		September 30, 2018	March 31, 2018
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipment	24,530	24,786
b	Capital work-in-progress	39	67
c	Intangible assets	158	175
d	Financial Assets		
	i) Investments	0	0
	ii) Loans	220	204
	iii) Other financial assets	42	42
e	Deferred tax assets (net)	1,070	36
f	Other non-current assets	159	21
2	Current assets		
a	Inventories	8,526	7,401
b	Financial Assets		
	i) Investments	-	-
	ii) Trade receivables	10,938	10,584
	iii) Cash and cash equivalents	1,092	1,558
	iv) Bank balances other than (iii) above	782	358
	v) Other financial assets	1,291	2,411
c	Current Tax Assets (Net)	277	278
d	Other current assets	1,687	1,503
	Total Assets	50,811	49,424
II	EQUITY AND LIABILITIES		
	Equity		
a	Equity Share Capital	450	379
b	Other Equity	15,827	13,425
	LIABILITIES		
1	Non-current liabilities		
a	Financial Liabilities		
	i) Borrowings	2,451	2,494
	ii) Trade payables	-	-
	iii) Other financial liabilities	22	23
b	Provisions	698	671
2	Current liabilities		
a	Financial Liabilities		
	i) Borrowings	12,903	15,003
	ii) Trade payables	13,998	13,952
	iii) Other financial liabilities	2,376	1,723
b	Other current liabilities	1,894	1,562
c	Provisions	192	192
	Total Equity and Liabilities	50,811	49,424

As per our report of even date
For A. K. Dubey & Co.,
Chartered Accountants
(Firm Regn. No. 329518E)
Arun Kumar Dubey
Partner
(M. No. 057141)

For and on Behalf of Board of Directors

Surender Kumar
Managing Director and CEO
DIN:- 00510137

Place : Gurugram
Date : 25th October, 2018

Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2018			
(Rs in Lakhs except for Shares and EPS)			
	Particulars	Period ended Sept 30, 2018	Year ended March 31, 2018
I	Revenue From Operations	12,319	27,774
II	Other Income	43	64
III	Total Revenue (I+II)	12,362	27,838
IV	EXPENSES		
	Cost of materials consumed	8,790	13,874
	Purchases of Stock-in-Trade	795	5,162
	Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	(602)	1,583
	Excise duty	-	655
	Employee Benefit Expenses	2,059	3,941
	Finance costs	1,272	2,592
	Depreciation and amortization expense	417	788
	Other expenses	3,150	5,980
	Total expenses	15,881	34,575
V	Profit/(loss) before exceptional items and tax (III-IV)	(3,519)	(6,737)
VI	Exceptional items		-
VII	Profit/(loss) before tax (V-VI)	(3,519)	(6,737)
VIII	Tax expense		
	Current Tax	-	-
	Deferred tax	(1,032)	(2,181)
IX	Profit/(loss) for the period (VII-VIII)	(2,487)	(4,556)
X	Other Comprehensive Income		
	(i) Items that will not be reclassified to profit or loss	(9)	(18)
	(ii) Income tax effect on above	(3)	(6)
	Total Other Comprehensive Income/(Loss) for the year (i)-(ii)	(6)	(12)
XI	Total Comprehensive Income/(loss) for the year (IX+X)	(2,493)	(4,568)

XII	Earnings per Shares of Rs. 2/- each		
	1) Basic (in Rs)	(11.31)	(24.04)
	2) Diluted (in Rs)	(11.31)	(24.04)

As per our report of even date

For A. K. Dubey & Co.,

Chartered Accountants

(Firm Regn. No. 329518E)

For and on Behalf of Board of Directors

Arun Kumar Dubey

Partner

(M. No. 057141)

Surender Kumar

Managing Director and CEO

DIN:- 00510137

Place : Gurugram

Date : 25th October, 2018

Transaction with Group Companies during the period 1st October 2017 to 30th September 2018 are as below:

(Rs. in Lakhs)

Sr No	Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Transaction Amount (1st October 2017 to 30th September 2018)
1	Jindal Saw Limited	Company in which Directors and/or Relatives are interested	Sales of products	3,200.21
2	JSW Steel Limited	Company in which Directors and/or Relatives are interested	Sales of products	906.67
3	Jindal Steel & Power Ltd	Company in which Directors and/or Relatives are interested	Sales of products	487.94
4	Jindal Stainless Ltd.	Company in which Directors and/or Relatives are interested	Sales of products	129.87
5	Jindal Stainless (Hisar) Ltd	Company in which Directors and/or Relatives are interested	Sales of products	106.85
6	Jindal Industries Pvt Ltd	Company in which Directors and/or Relatives are interested	Sales of products	264.66
7	Jindal Stainless (Hisar) Ltd.	Company in which Directors and/or Relatives are interested	Payment of Rent & Maintenance	93.16
8	Jindal Stainless Consultancy	Company in which Directors and/or Relatives are interested	Reimbursement of maintenance expenses	57.66
9	JSL Limited	Company in which Directors and/or Relatives are interested	Interest Payment on Loan	34.70

ACCOUNTING RATIOS AND CAPITALISATION STATEMENTS

The following tables present certain accounting and other ratios derived from our Company's audited financial statements for the year ending March 31, 2018 and March 31, 2017 included in the financial statements on page 79 of the Letter of Offer.

Standalone Financial Statements

	Particulars	For the year ended March, 31	
		2018	2017
1	Return on Net worth (%)	(37.51)	(5.77)
2	Earnings per Share (in Rupees)		
	Basic	-23.97	-5.07
	Diluted	-23.97	-5.07
3	Net asset Value per share	63.90	88.00

Return on Net worth (%): (Net Profit or (loss) after Tax/Net worth at the end of the year) x 100
Earnings per share Basic & Diluted: Net profit or (loss) as attributable for equity shareholders/Weighted average number of equity shares (Nos.)
Net asset Value per share: Net Worth/No. of ordinary Shares
Net worth: Equity Share Capital + Other Equity

Consolidated Financial Statements

	Particulars	For the year ended March, 31	
		2018	2017
1	Return on Net worth (%)	(33.00)	(5.27)
2	Earnings per Share (in Rupees)		
	Basic	-24.04	-5.12
	Diluted	-24.04	-5.12
3	Net asset Value per share	72.86	97.03

Return on Net worth (%): (Net Profit or (loss) after Tax/Net worth at the end of the year) x 100
Earnings per share Basic & Diluted: Net profit or (loss) as attributable for equity shareholders/Weighted average number of equity shares (Nos.)
Net asset Value per share: Net Worth/No. of ordinary Shares
Net worth: Equity Share Capital + Other Equity

CAPITALISATION STATEMENT

The capitalization statement of our Company as at March 31, 2018, as adjusted post issue is as under:

Standalone Summary Statement of Capitalisation

Particulars	As at March 31, 2018	As on September 30, 2018	As adjusted for the Issue
Borrowings:			
Long term borrowings (inc Current maturity)	2,905.82	2,651.27	2,651.27
Short-term borrowings (inc Bill Discounting)	15,003.11	12,902.64	12,902.64
Total (A)	17,908.93	15,553.90	15,553.90
Shareholders' funds:			
Equity share capital	378.93	449.98	1,124.93
Other Equity	11,727.64	14,138.48	35,230.68
Total (B)	12,106.57	14,588.46	36,355.61
Debt / Equity ratio (A) / (B)	1.48	1.07	0.43

Consolidated Summary Statement of Capitalisation

Particulars	As at March 31, 2018	As on September 30, 2018	As adjusted for the Issue
Borrowings:			
Long term borrowings (Inc Current maturity)	2,905.82	2,651.27	2,651.27
Short-term borrowings (inc Bill Discounting)	15,003.11	12,902.64	12,902.64
Total (A)	17,908.93	15,553.90	15,553.90
Shareholders' funds:			
Equity share capital	378.93	449.98	1,124.93
Other Equity	13,425.23	15,826.85	36,919.05
Total (B)	13,804.16	16,276.83	38,043.98
Debt / Equity ratio (A) / (B)	1.30	0.96	0.41

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our significant credit facilities as on 30 September, 2018

(Rs. in lakhs)						
Name of the Lender	Nature of the Loan	Amount Sanctioned	Amount availed/ outstanding	Date of Agreement / Sanction letter	Rate Of Interest	Terms of Repayment
TERM LOAN						
Religare Finvest Limited	Secured	1925.00	1678.78	29-01-2016	13.00%	117 monthly instalment. Starting from 01.08.2016 & Ending on 01.04.2026
	Security - First charge on company's the immovable & movable properties of Sikandrabad plant situated at Sikandrabad					
Indiabulls Housing Finance Limited	Secured	500.00	378.24	29-02-2016	14.50%	86 monthly instalment. Starting from 05.05.2016 & Ending on 05.06.2023
	Security - first charge on company's immovable property situated at 5th Floor,C wing, Oberoi Garden Estate , Chandivali, Andheri (East), Mumbai-400072					
FUND BASED – Security – i) First charge, ranking paripassu, by way of equitable mortgage on the land and building and hypothecation on other fixed assets thereon situated at Nashik, Maharashtra and Gummidipoondi, Tamil Nadu, ii) First charge, ranking paripassu, by way of hypothecation of plant and machinery at the Company's Factory situated at Howrah, West Bengal, iii) Second charge, ranking paripassu, on the fixed assets at the Company's factory situated at Sikandarabad, Uttar Pradesh iv) First charge, ranking pari-passu, by way of Hypothecation, on the Raw material , Sip , finished goods, stores, Spares, Receivables and current assets of the Company						
State Bank of India	Secured	6000.00	5575.57	08-02-2018	14.85%	Annually
HDFC Bank Limited	Secured	2200.00	2094.37	29-09-2018	11.45%	Annually
Corporation Bank	Secured	850.00	830.16	08-06-2018	14.20%	Annually
Punjab National Bank	Secured	1200.00	1165.44	07-09-2018	13.45%	Annually
IndusInd Bank	Secured	750.00	677.14	24-09-2013	11.55%	Annually
NON FUND BASED - Security - i) First charge, ranking paripassu, by way of equitable mortgage on the land and building and hypothecation on other fixed assets thereon situated at Nashik, Maharashtra and Gummidipoondi, Tamil Nadu, ii) First charge, ranking paripassu, by way of hypothecation of plant and machinery at the Company's Factory situated at Howrah, West Bengal, iii) Second charge, ranking paripassu, on the fixed assets at the Company's factory situated at Sikandarabad, Uttar Pradesh, iv) First charge, ranking pari-passu, by way of Hypothecation, on the entire stocks and current assets of the Company.						

State Bank of India	Secured	#4750.00	2249.47	08-02-2018	--	Annually
HDFC Bank Limited	Secured	##600.00	577.04	29-09-2018	--	Annually
Punjab National Bank	Secured	1500.00	1401.99	07-09-2018	--	Annually
Corporation Bank	Secured	850.00	81.59	08-06-2018	--	Annually
IndusInd Bank	Secured	1500.00	-	24-09-2013	--	Annually

Does not include Rs. 200 Lacs sanctioned for derivative/FC/CEL

Does not include derivative limit of Rs. 500 Lacs

(Rs. in lakhs)

Name of the Lender	Nature of the Loan	Amount Sanctioned	Amount availed	Date of Agreement / Sanction letter	Rate Of Interest	Terms of Repayment
BILL DISCOUNTING						
Axis Bank Limited	Unsecured loan	3,000.00	2653.20	26-10-2017	10.35%	Annually
UNSECURED LOAN						
Hind Strategic Investments	Unsecured loan	USD 800,000	579.88*	28-04-2017	6M LIBOR + 300 BPS	At maturity (5 years)
VEHICLE LOAN						
Toyota Financial Services India Ltd.	Secured	18.90	17.37	19-12-2017	8.75%	84 monthly EMI. Starting from 20/01/2018 & Ending on 20/12/2024.

*Computed @ Rs. 72.485 per US\$ as on 30th September, 2018.

STOCK MARKET DATA

The Equity shares of our Company are presently listed and traded on BSE and NSE. The equity shares are frequently traded at BSE and NSE. The share trading data for the equity shares of our Company is as under:

Stock Market Data for BSE

The closing market price of the equity shares of our Company on the first business day after the Board approved the Issue i.e. on May 24, 2018 was ₹ 136.10 per equity share on the BSE.

The high and low closing prices and associated volumes of securities traded during last 3 years recorded on BSE is as follows:

Calendar Year	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2017	320.30	17/05/2017	3,17,512	142	02/01/2017	16,472	222.32
2016	223.60	23/08/2016	3,12,672	88.70	12/02/2016	41,498	170.32
2015	172.90	15/01/2015	17,916	94.10	08/09/2015	5,856	144.33

The high and low price, and associated volume of securities traded during the last 6 months on BSE is as follows:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
October 2018	107.35	17/10/2018	19,742	72.20	09/10/2018	7,632	91.24
September 2018	124.30	03/09/2018	3,637	80.25	28/09/2018	12,670	105.27
August 2018	135.80	27/08/2018	46,359	119.40	27/08/2018	46,359	126.75
July 2018	141.70	11/07/2018	1,92,713	115.05	20/07/2018	6,613	131.36
June 2018	138.25	01/06/2018	12,374	113.05	06/06/2018	22,509	123.23
May 2018	154.7	25/05/2018	2,65,951	113.00	24/05/2018	1,11,754	140.86

Latest Stock Market Data for the preceding four weeks from the date of filing of Letter of Offer with Stock Exchange:

Week Starting From	Week ending on	High	Low	Week's Closing Price (in ₹)	Total Traded quantity during the period
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		Amount (in ₹)	Date	Amount (in ₹)	Date		
12/11/2018	16/11/2018	91.90	12/11/2018	82.00	16/11/2018	82.75	64,991
05/11/2018	09/11/2018	108.10	05/11/2018	85.90	09/11/2018	87.35	1,48,141
29/10/2018	02/11/2018	108.00	02/11/2018	84.60	29/10/2018	102.25	1,04,411
22/10/2018	26/10/2018	94.80	22/10/2018	81.05	26/10/2018	83.85	27,885

Stock Market Data for NSE

The closing market price of the equity shares of our Company on the first business day after the Board approved the Issue i.e. on May 24, 2018 was ₹ 136.60 per equity share on the NSE.

The high and low prices and associated volumes of securities traded during last 3 years recorded on NSE is as follows:

Calendar Year	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
2017	320.60	17/05/2017	10,09,639	140.00	03/03/2017	56,645	222.38
2016	223.50	23/08/2016	10,30,150	88.70	12/02/2016	88,103	174.09
2015	173.90	15/01/2015	96,228	95.10	08/09/2015	14,153	144.67

The high and low price, and associated volume of securities traded during the last 6 months on NSE is as follows:

Period	High (₹)	Date of High	Volume on date of high (no. of shares)	Low (₹)	Date of Low	Volume on date of low (no. of shares)	Weighted Average Price (₹)
October 2018	106.45	16/10/2018	2,73,300	72.00	09/10/2018	14,835	90.77
September 2018	124.20	03/09/2018	36,982	80.25	28/09/2018	52,651	109.14
August 2018	136.20	27/08/2018	2,36,486	119.15	27/08/2018	2,36,486	127.16
July 2018	142.00	11/07/2018	5,49,799	115.00	02/07/2018	32,413	129.70
June 2018	138.00	01/06/2018	41,736	112.00	06/06/2018	1,27,496	122.92
May 2018	155.00	25/05/2018	15,42,126	112.00	24/05/2018	7,24,173	141.11

Latest Stock Market Data for the preceding four weeks from the date of filing of Letter of Offer with Stock Exchange:

Week Starting From	Week ending on	High		Low		Week's Closing Price (in ₹)	Total Traded quantity during the period
		Amount (in ₹)	Date	Amount (in ₹)	Date		
12/11/2018	16/11/2018	90.90	14/11/2018	82.15	16/11/2018	82.80	2,88,751
05/11/2018	09/11/2018	108.00	05/11/2018	85.40	06/11/2018	86.75	8,82,736
29/10/2018	02/11/2018	105.00	02/11/2018	83.05	29/10/2018	101.70	4,37,389
22/10/2018	26/10/2018	96.00	22/10/2018	80.70	25/10/2018	83.50	2,45,082

Form the purpose of this chapter:

- Year is a calendar year
- Average price is the weighted average share price of the Equity Shares traded during the respective period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low / closing price, the date with higher volume has been considered
- Source: www.bseindia.com and www.nseindia.com

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Company and our Subsidiary, from time to time, have been and continues to be subject of legal proceedings, arising in the ordinary course of its businesses. Except as disclosed below, there are no outstanding litigations against our Company and our Subsidiary, including suits, criminal or civil prosecutions and taxation related proceedings that would have a material adverse effect on the operations and the financial position of our Company. In this regard, please note the following:

Further, except as disclosed below, there is no outstanding litigation against our Company and our Subsidiaries involving issues of moral turpitude, criminal liability, material violations of statutory regulations or economic offences and no such litigation had arisen against our Company and our Subsidiaries in the preceding ten years. The aforementioned confirmations, with respect to our Subsidiaries, requiring disclosures for the preceding 10 years period, are provided with effect from the date of formation of such Subsidiaries. Our Company has no outstanding defaults in relation to, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution and interest thereon except delay in payment of VAT/Sales and GST as on 30 September, 2018. Further, except as disclosed below there are no outstanding litigations which may not have any impact on the future revenues of our Company, involving financial liability, to the extent quantifiable, exceeding one percent (i.e Rs. 138.04 Lakhs) of the total net worth of our Company in the Fiscal 2017-18.

Further, except as discussed below there are no outstanding litigations that may have an impact on the future revenues involving potential financial liability, to the extent quantifiable, of exceeding one per cent (i.e. Rs. 278.38 Lakhs) of the total revenue of our Company in the Fiscal 2017-18 and where the decision in one case is likely to affect the decision in similar cases even though the amount involved in single case individually may not exceed one per cent of the total revenue of our Company, if similar cases put together collectively exceed one percent of total revenue of our Company in the Fiscal 2017-18..

All terms defined in a particular litigation are for that particular litigation only.

Details of material cases filed by or against Company are as follows:

A) PENDING MATTERS LIKELY TO HAVE MATERIAL AND ADVERSE AFFECT ON OPERATIONS OR FINANCIAL POSITION OF THE ISSUER, IF THEY RESULT IN ADVERSE OUTCOME

(Amount in Rupees)

Sl. No.	Name of the Parties	Case Number/ Court/ Authority	Brief Facts of the Case	Amount Involved	Present Status
1.	Shalimar Paints Limited V/s State of Maharashtra (National Textile Corporation)	a) City Civil Court, Mumbai/ App. No. 1000065 of 2017 b) SLP (civil) No. 3172/2017 Supreme Court of India	a) Our Company took a godown through leave and license agreement dated 15.02.1968 in Mumbai from Shree Sitaram Mills Limited and our Company was the original tenant till 1983. In pursuance of the Textile Undertaking(Management) Act, 1983 and thereafter by virtue of Nationalization Act, 1995 Shree Sitaram Mills Limited, was nationalized and as per the provisions of the Act, all the movable and immovable assets of the Shree Sitaram Mills Limited were vested in Central Government and were further transferred to National Textile Corporation (“NTC”). NTC issued the vacation notice and filed a petition for eviction	2,18,15,619 plus interest @12% per annum from 01.09.2009 till the date of payment.	a) Next date of hearing in City Civil Court is fixed for 27.11.2018 for further proceedings b) SLP will be listed in Supreme Court in due course.

			<p>and arrears of damages before the Estate Officer against our Company. The Estate Officer passed an order of eviction and damages against our Company. The order of the Estate Officer was challenged by our Company in High Court of Bombay wherein the High Court remanded back the matter to Estate Officer for fresh adjudication. The Estate Officer on fresh adjudication passed an order dated 28.02.2017 declaring an amount of Rs. 2,18,15,619 to be paid towards arrears of rent and interest against our Company for the period 01.11.2002 to 27.08.2009. The fresh order of the Estate Officer was challenged by our Company in City Civil Court, Mumbai and notice of the petition was issued to NTC and the same is pending for adjudication. Further, application for extension of time to renew the Bank Guarantee had been filed by our Company on 12.01.2018 and the same stands infractious vide hearing dated 12.06.2018.</p> <p>b) Our Company has also preferred the Special Leave Petition bearing number SLP (civil) No.3172/2017 challenging the jurisdiction of the Estate Officer in the Supreme Court. The Apex Court has issued notice to NTC and further directed not to take any coercive steps till further orders. The said matter will be listed in due course.</p>		
2.	Shalimar Paints Limited V/s. Tara Properties Private Limited	Application no. 196/2010 Kolkata High Court	Vide lease deed dated 04.03.1963 our Company had taken on lease the premises situated at Camac Street from Tara Properties Private Limited ("TPPL") for 21 years. The said lease expired on 29.02.1984. TPPL issued a vacation notice and filed eviction suit in Kolkata High Court, wherein the Hon'ble High Court was pleased to pass an order of vacation against our	8,28,83,496 without interest	The matter will be listed in the High Court in due Course.

			<p>Company and also directed our Company to pay Rs. 17 crores towards arrears of rent. Our Company challenged that order before Division Bench of the Kolkata High Court. The Division Bench vide its order dated 07.05.2009 directed our Company to deposit an amount of Rs. 1.50 Crore with the Court and further directed to furnish our Company's land situated at Howrah as security for another sum of Rs. 4.5 Crore. The Hon'ble Court further appointed Special Referee to adjudicate the arrears of rent afresh. Our Company had complied with the said order The Special Referee vide its order dated 18.11.2010 passed an order that an amount of Rs.12,00,69,696 is payable by our Company as arrears of rent. Further, Special Referee adjusted the amount of Rs. 3,71,86,200 paid by our Company to TPPL during pendency of the proceedings and held that an amount of Rs. 8,28,83,496 is still payable by the Company. The order passed by the Special Referee has been challenged by our Company and the same is pending for adjudication before the Kolkata High Court.</p>		
3)	<p>Kolkata Port Trust (KoPT) has filed two special leave petitions in Supreme Court against Hon'ble Calcutta High Court order dated 23/12/2015 in respect of claim of KoPT of rent and interest. Hon'ble High Court has passed an order ordering that a sum of Rs. 6922398.46 with simple interest is payable by our Company as against claim of Rs. 2,14,75,585 with interest till 05.01.2012 made by KoPT. Amount involved Rs. 6922398.46. SLP is yet to be listed in Supreme Court.</p>				
4)	<p>Our Company has filed a petition numbering ARB.P 718/2018 on 20th September, 2018 in Delhi High Court for the appointment of Presiding Arbitrator to adjudicate the matter of Insurance Claim along with the other two appointed arbitrators. The matter is in respect to Insurance Claim for the fire that broke out in the Howarah factory of our Company in March 2014. Our Company has received only an amount of Rs. 11,22,35,486 from Oriental Insurance Company Limited. The matter was last listed on 13.11.2018 for hearing and partial arguments on behalf of both the parties were made. Next date of hearing is 27.11.2018</p>				
5)	<p>Our Company has filed Criminal Complaint Number 15866/2018 on 27.10.2018 against our ex-employee Mr. Haresh Patel alias Hiren Patel and Vardhaman Sales Agency who was a purchaser of our products for forging and fabricating the below mentioned documents in collusion and connivance with their comrades known and unknown. Our Company after internal inquiry has alleged that Vardhman Sales Agency ("VSA") had produced certain documents during the cheque Bouncing proceedings before Saket Court filed against VSA on its letter head that was addressed to Mr. Haresh Patel that manifests certain cheques which were handed by Mr. Haresh Patel to the VSA. The said letter was also endorsed by the signatures of the VSA along with their rubber stamp & the signatures of Mr. Haresh Patel. Another document which was also provided to our Company was customer ledger which has been signed by Mr. Haresh Patel along with the rubber stamp of our Company. The said matter was listed on October 31, 2018 and court has disposed off the matter as FIR has been registered against the Haresh Patel, Vardhman Sales Agency and others.</p>				

6)	Our Company has filed 351 number of Criminal Complaints under Section 138 of Negotiable Instruments Act,1881 against individuals and entities, for bouncing of cheques issued by them aggregating to an amount of Rs.7,72,23,134.94.
7)	Our Company had supplied various Paints products to the nine (9) companies. They failed to make payment towards paints products supplied to them and in the meantime insolvency proceedings were initiated. In view of the NCLT orders, Interim Resolution Professional (“IRP”) called the creditors of the companies vide public announcement to submit proof of their claims. Our Company being operational creditor to the following companies, filed its claims with IRP. The total amount claimed by us is approximately Rs. 423.70 Lakhs out of which claim of Rs. 175.26 lakhs have been admitted so far.

B) DETAILS OF CASES AGAINST OUR COMPANY ARISEN OR PENDING IN THE LAST TEN YEARS PROCEEDINGS RELATING TO ECONOMIC OFFENCES

INCOME TAX

Our Company filed returns of income for various Assessment Years declaring profits and losses. Some of these cases were selected for scrutiny through Computer Aided Scrutiny Selection (CASS). Company had received notices under section 143(2) and 142(1) of the Income Tax Act, 1961 directing our Company to furnish certain details, which were submitted by our Company. Assessment Orders were passed by Assistant Commissioner of Income Tax, Circle-11(2), Kolkata vide which the profits and losses were assessed differently after rejecting various expenses/deductions/exemptions claimed by our Company under the provisions of the Income Tax Act, 1961. Aggrieved by the said Assessment Orders, Company has filed appeals to the Commissioner of Income Tax. Matters are still pending before the Authorities at various stages. Assessment year-wise details are as follows:

(Amount in Rupees)

Sl. No.	Name of the authority where matter is pending	Case number/ Assessment year (A.Y.)	Brief Facts of the Case	Amount Involved	Present Status
1.	Commissioner of Income Tax	Acknowledgement Number of the appeal: 395262581130218 Assessment Year 2015-16	Order passed by ACIT dated 31.12.2017 under section 143(3) disallowing expenses of Rs. 4,49,72,750. Our Company filed appeal with CIT on 13.02.2018.	1,52,87,080	The matter will be listed for hearing in due Course.
2.	Commissioner of Income Tax	Acknowledgement Number of the appeal: 621931731150217 Assessment Year 2014-15	Order passed by ACIT dated 30.12.2016 u/s 143(3) of the Income Tax Act for refund of Rs. 1,56,58,940 and disallowances of amount totalling to Rs. 91,57,622. The Department wrongly adjusted the aforesaid refund at reflected in their system (partly) for unpaid dues of tax and interest. In respect of disallowances of Rs. 91,57,622 made in the order, our Company preferred an appeal with CIT on 15.02.2017 for which hearing is awaited.	1,56,58,940 (Refund)	The matter will be listed for hearing in due Course.
3.	Assessing Officer	Appeal Acknowledgement No:169306461100 516	Order passed by DCIT dated 29.03.2016 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses	7,97,820	The matter will be listed for hearing in due Course.

		Assessment Year 2013-14	<p>amounting to Rs. 23,90,590, against which our Company has filed an appeal dated 10.05.2016.</p> <p>Another show cause notice dated 27.02.2018 was received from the Office of Principal Commissioner of Income Tax-4, Kolkata stating that said Assessment Order dated 29.03.2016 was erroneous as it was pre-judicial to the interest of the revenue. Our Company was required to show cause along with written submissions as to why the said assessment should not be revised under Section 263 of the Income Tax Act, 1961.</p> <p>Later an Order dated 07.03.2018 under Section 263 of the Income Tax Act, 1961 was passed setting aside the said Assessment Order and directing the Assessing Officer to pass a fresh Assessment Order.</p> <p>The Assessing Commissioner of Income Tax Circle 11(2), Kolkata has issued a notice for hearing on 27.09.2018 to which our Company has requested to adjourn the date of hearing after 15 days from the date of hearing assigned. The new date of hearing is yet to be confirmed by the Assessing Commissioner.</p>		
4.	Deputy Commissioner of Income Tax	Assessment Year 2012-13	Order passed by DCIT dated 28.03.2015 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 39,862 and our Company received Demand Notice dated 28.03.2015 under Section 156 of the Income Tax Act, 1961 of Rs. 38,32,750. Our Company filed a rectification Application under Section 154 of the Income Tax Act, 1961 on 12.05.2015 claiming the refund. Our Company has received a refund of Rs.	NIL	Disposed

			40,56,740 and the matter is closed.		
5.	Deputy Commissioner of Income Tax	Assessment Year 2011-12	Order passed by Income Tax Department dated 30.03.2014 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 6,07,430 and our Company received Demand Notice dated 30.03.2014 under Section 156 of the Income Tax Act, 1961 of Rs. 5,61,060.	5,61,060	The matter will be listed for hearing in due Course.
6.	Deputy Commissioner of Income Tax	Assessment Year 2010-11	Order passed by Income Tax Department dated 30.03.2015 u/s 263/143(3) of the Income Tax Act, 1961, and nothing adverse has come to notice. In view of that income assessed u/s 143(3) of the Income Tax Act, 1961 on 09.12.2011 is accepted as the same and Notice of demand for NIL has been issued under section 156 of the Income Tax Act.	NIL	Disposed
7.	Deputy Commissioner of Income Tax	Assessment Year 2009-10	An Order dated 30.03.2015 was passed by the Deputy Commissioner of Income Tax, Circle-11(2), Kolkata observing that nothing adverse had been noticed and proceedings initiated under Section 147 were dropped and income assessed under section 143(3) of the Income Tax Act, 1961 vide Order dated 09.12.2011 was accepted and a Demand notice under Section 156 was received by our Company for a sum of Rs. 12,24,540. Our Company has paid the said demand and matter was closed.	NIL	Disposed
8.	Commissioner of Income Tax	Since not listed for hearing, appeal is not numbered yet) Assessment Year 2008-09	Order passed by Income Tax Department dated 31.12.2010 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 10,00,000. Later on, another Assessment Order dated 30.07.2015 was passed by Deputy Commissioner of Income Tax, Circle 11 (2), Kolkata declaring that the income to the tune of Rs. 5,18,808 had escaped assessment and subsequently declared the total income of Rs. 13,17,77,920.	6,90,275	The matter will be listed for hearing in due Course.

			Company received Demand Notice dated 30.07.2015 under Section 156 of the Income Tax Act, 1961 for Rs. 6,90,275. Aggrieved by the said Assessment Order, Company filed an appeal to the Commissioner of Income Tax on 12.02.2011.		
9.	Commissioner of Income Tax	Since not listed for hearing, appeal is not numbered yet) Assessment Year 2007-08	Order passed by Income Tax Department dated 18.12.2009 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 7,50,542 and our Company received Demand Notice dated 18.12.2009 under Section 156 of the Income Tax Act, 1961 for Rs. 2,15,339. Later on, our Company received notice dated 24.12.2009 as per which demand of Rs. 2,15,339 is partly adjusted with the refund of Rs. 1,17,720 and balance demand stands for Rs. 97,619. Aggrieved by the said Assessment Order, Company filed an appeal to the Commissioner of Income Tax on 18.01.2010.	97,619	The matter will be listed for hearing in due Course.
10.	Deputy Commissioner of Income Tax	Assessment Year 2006-07	Order passed by Income Tax Department dated 23.12.2008 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 20,19,145. Aggrieved by the said Assessment Order, Company filed an appeal to the Commissioner of Income Tax on 11.02.2009. Appeal was allowed vide order dated 06.12.2012. Company received a letter dated 07.07.2015 from Deputy Commissioner of Income Tax stating that the refund amounting to Rs. 41,59,995 for the A.Y. 2006-07 will be adjusted fully against the demand for the A.Y. 2011-12 and 2012-13.	NIL	Disposed
11	Commissioner of Income Tax	Assessment Year 2005-06	Order passed by Income Tax Department dated 11.02.2009 u/s 143(3) of the Income Tax Act resulting in disallowances of expenses amounting to Rs. 60,80,612. Aggrieved by the said Assessment Order,	NIL	Disposed

			Company filed an appeal to the Commissioner of Income Tax on 11.02.2009. Appeal was allowed vide order dated 06.12.2012.		
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EXCISE CASES

(Amount in Rupees)

S. No.	Parties in the suit/court/authority	Case number/Court/A authority	Brief Facts of the Case	Amount Involved	Present Status
1.	Commissioner of Central Excise, Kolkata- II Commissionerate V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered yet) Authority: CESTAT	<p>Four Show cause notices were issued by the Department on 07.10.1993 relating to period 01.12.1991 to 31.08.1993; 01.09.1993 to 31.01.1993 and for February 1994. An Order in original was passed by Commissioner No. 12-14/Commr/CE/Kol-II/Adjn/2008-09 dated 19.06.2008 raising demand of Rs. 1,26,86,591.</p> <p>The Department had alleged manufacturing of thinner with aid of power through pump whereas our Company pleaded that taking out solvent is by gravitational force and not by power and hence exempt. Our Company had filed an application for condonation of delay for filing of Appeal against order in original before CESTAT in Form E.A.3 & E.A.5 on 12.01.2009 along with stay petition.</p> <p>CESTAT remanded back the matter for fresh adjudication with a pre-deposit of 25% of the total duty involved and our Company had deposited Rs.31,71,648.</p> <p>In fresh adjudication the demand of Rs.1,26,86,591 had been dropped vide order dated 15.02.2016. Thereafter, the Department filed an appeal dated 12.08.2016 against the said order before CESTAT. Our Company has filed cross objections before the CESTAT.</p>	1,26,86,591	Hearing date has not been allotted

2.	Commissioner Appeal –II, Kolkata V/s Shalimar Paints Limited	<p>Appeal no. C.NO.I(22) 18 /Misc./Appeals/H Q Pool/Kol-North/2017/15022</p> <p>Authority: CGST & CX, Kolkata North Commissionerate</p>	<p>The Department had issued show causes notices for the period April 2007 to March 2009 alleging that our Company had cleared 97,58,591 Litres of the goods under Excise after taking the benefit of deduction of average freight and transportation charges from Assessable Value. According to the Department the value of the goods should be uniform but, in our case, the value of goods is not uniform to all buyers. The Department demanded payment of duty of Rs. 45,79,539 plus interest and penalty vide Order No: 58-61/JC/CE/Kol-II/Adjn/2010-11 dated 30.09.2010 passed by the Joint Commissioner, Central Excise, Kol-II Commissionerate.</p> <p>Our Company has denied all the allegations and submitted suitable reply to show cause notices, but Department maintained the demand. Our Company filed an appeal on 03.10.2010.</p>	91,59,078	Last date of hearing: 11.06.2018 Order awaited.
3.	Commissioner of Central Excise Kolkata V/s Shalimar Paints Limited	<p>Appeal no.E/607/211-DB</p> <p>Authority-CESTAT</p>	<p>Show cause cum demand notice No: V.Ch27,32&38(15)55/CE/Kol-II/Adjn/09/1434A dated 29.01.2010 was issued alleging that our Company had taken wrong CENVAT credit during the period from January 2005 to March 2008 to the tune of Rs.1,05,67,180. The contention raised by the Department was that input service credit on GTA and other services had been distributed by Head Office Kolkata to Howrah factory, but Head office is not registered as input Service distributor. Hence, our Company was not eligible to take Cenvat credit as per Rule 2(1) of Cenvat Credit Rules, 2004. Order-in-Original No:26/COMMR/CE/ KOL-II/2010-11 dated 31.03.2011 was passed confirming demand of Rs.1,05,67,180 with same amount of penalty.</p>	2,11,34,360	Hearing date has not been allotted.

			Aggrieved by the said order, our Company has filed an appeal before CESTAT with stay petition and made a pre-deposit 10% amounting to Rs. 10,56,718 on the disputed amount.		
4.	Commissioner of Central Excise (Appeal) Kolkata V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered yet) Authority- CESTAT	The distribution of input service without ISD Registration resulted in disallowance of GTA claimed by our Company as input service. Commissioner of Central Excise, Kolkata II Commissionerate passed Order-in-Original No.:13/Commr/CE/KolIII/Adjn/2015-16 dated 20.01.2016 (the order received on 11/02/2016 by us). Demanding amount of Rs. 61,42,951 plus equal amount of penalty. Our Company applied on-line for inclusion of ISD service in Service Tax Registration and the registration had been amended in ST-2. Our Company filed an Appeal before CESTAT against Order-in-original on 28.04.2016 with pre- deposit of Rs. 6,14,300.	1,22,85,902	Hearing date has not been allotted
5.	Commissioner of Central Excise (Appeal -1), Kolkata V/s Shalimar Paints Limited	Last Appeal no. C No. V(CX)XAP-22/HWH/17/2031 1 Authority: Assistant Commissioner Central Tax, Kolkata	The Department of Central Excise issued a Show Cause Notice dated 16.11.2015 in respect of alleged wrong availment of Cenvat Credit of Rs.6,41,173 during period from 08.08.12 to 25.09.13 against supplies made by M/s. Kamala Udyog to our Company. After submission of reply, the Assistant Commissioner vide Order-In-Original no.05/AC-DC-05/How-III/Adjn/Kol II/17-18 dated 31.05.17 disallowed credit of Rs. 6,41,173 and imposed penalty Rs.6,41,173 and interest at appropriate rate. Against the said order our Company has filed an appeal before the Commissioner of Central Excise (Appeal-I) on 28.07.2017. Commissioner, GST & CX, Kolkata North Commissionerate vide Order no. 88/HWH/XAP-22/2017-18 dated 02.04.2018 had set aside the earlier order passed by	NIL	Disposed

			Assistant Commissioner. Our Company has filed an appeal dated 25.06.2018 for refund of pre-deposit of Rs. 48,090 wherein vide order dated July 12, 2018 a refund of Rs.50,928 (Pre-deposit of Rs48,090 and interest of Rs.2,838) has been sanctioned.		
6.	Commissioner of Central Excise, Kolkata-II Commissionerate V/s Shalimar Paints Limited	Last Appeal Number: C.No. I(22)18/Misc/App eals/HQPool/Kol North/2017 Authority: CGST & CX, Kolkata North Commissionerate	<p>During EA 2000 Audit for the period 2007-08 and 2008-09 it was alleged that our Company had wrongly availed credit of Service Tax on GTA in respect of freight paid for transportation of goods to other units as it was not registered as input service distributor, resulting in short payment of duty to the tune of Rs. 18,40,111.</p> <p>A Show Cause Notice No.:C.No.Vch.27, 32 & 38(15)44/CE/Kol-II/ Adjn/2011 was issued on 28/03/2012. After submitting written reply an Order-in-Original No: 10/ADC/CE/KOL-II/Adjn/2012-13 dated 29/11/2012 was passed by Additional Commissioner of Central Excise, Kolkata-II Commissionerate confirming demand of Rs. 18,40,111 with penalty of equivalent amount.</p> <p>Our Company filed an Appeal before Commissioner of Central Excise (Appeal-II), along with application for stay on 14.05.2013 which was rejected and our Company has filled second appeal before the CESTAT on 10.10.2018.</p>	36,80,222	The matter will be listed for hearing in due Course.
7.	Commissioner of Central Excise, Kolkata (Appeal-II) V/s Shalimar Paints Limited	<p>Appeal no. C.NO.I(22) 18/MISC/Appeals /HQ pool/Kol-North/2017/15019</p> <p>Authority: CGST & CX, Kolkata North Commissionerate</p>	A Show Cause Notice was issued for the period May 1993 to April 1997 and April 2007 to December 2007, alleging that our Company supplied paints to Indian Navy without payment of duty after claiming exemption under notification No: 64/95-CE dated 16.03.1995. Our Company submitted replies to the Show Cause Notice. Vide Order No: 76-86/JC/CE/Kol-	30,52,114	<p>Last hearing date: 03.05.2018</p> <p>Order awaited</p>

			<p>II/Adjn/2010-11 dated 28.02.2011 the Department confirmed demand of Rs.24,34,438 and 4,17,716 and penalty of Rs. 2,00,000 and 20,000.</p> <p>Our Company filed an appeal on 06.06.2011 before the Joint Commissioner of Central Excise Kolkata-II, Commissionerate and initial hearing was held on 03.05.2018.</p>		
8.	Additional Commissioner Service Tax, Kolkata V/s Shalimar Paints Limited	<p>Last Appeal no. ST/115/2012-SM</p> <p>Authority: Assessing Authority</p>	<p>The Departmental Audit observed that our Company made short payment of Service Tax on GTA as submitted in the ST-3 return in comparison to our books and accounts for the financial year 2005-06 and 2006-07. A Show Cause Notice No: v (15)520/ Adjn/ST/D-III/kol/09-10/16253 dated 30.03.2010 was issued which was replied by our Company on 11.01.2011. Additional Commissioner, Service Tax Kolkata confirmed the demand of Service Tax of Rs.14,53,000 and penalty of equal amount vide Order No: 114/J.C./ST/Kol/2010-11 dated 03.03.2011.</p> <p>Our Company filed an Appeal before Commissioner of Central Excise (Appeal-I) on 15.06.2011 along with stay petition.</p> <p>As per Appellate Order, the demand and penalty were confirmed by Commissioner Excise (Appeal) vide order No: 435/ST/Kol/2011 dated 13.12.2011.</p> <p>Our Company filed second appeal to the Appellate Tribunal on 15.03.2012 with stay petition.</p> <p>CESTAT vide Order No: SO/71204/2013 dated 26.09.2013 directed our Company to pre-deposit 50% of the demand within six weeks</p>	29,06,000	The matter will be listed for hearing in due Course.

			from the date of order and our Company deposited Rs.7,26,500 on 31.10.2013. Tribunal vide Order no. 76263 dated 05.05.2017 remanded the matter to the Adjudicating Authority.		
9.	Joint Commissioner Central Excise (Appeal-II) Kolkata V/s Shalimar Paints Limited	Appeal no. G.A. No.2123 of 2012 Authority: High Court at Kolkata Special Jurisdiction	Show Cause Notices were issued to our Company alleging contravention of the provisions of Rule 209A of C.E. Rules 1944 and Rule 26 of CE (NO.2) Rules, 2001 with respect to exemption under notification no.64/95 C.E. dated 16.03.1995 towards supply of paints without payment of duty to G.R.S.E Limited. Order-in-Original No: 57/JOINT COMMISSIONER/CE/Kol-II/ Adjn/2005 dated 29.12.2005 passed by Joint Commissioner of Central Excise, Kolkata -II confirmed the demand of Rs.12,70,420 and penalty of equivalent amount. Penalty of Rs. 25,000 was also imposed on G.R.S.E. Limited. Our Company filed an Appeal before Commissioner (Appeal) which was dismissed. Aggrieved by the said order, our Company filed second appeal before the CESTAT on 24.07.2006 along with a stay petition. CESTAT issued order dated 12.01.2012 confirming the demand. Our Company filed Appeal G.A. No.2123 of 2012 before High Court at Calcutta Special Jurisdiction.	25,40,840	The matter will be listed for hearing in due Course.
10.	Commissioner Appeal –II Kolkata V/s Shalimar Paints Limited	Last Appeal no. 314/ST/kol/2011 Authority:Assessing Authority	Show Cause Notice No: V(15)364/Adjn/ST/ D-III/Kol/09-10/15770 dated 17.03.2010 was issued to our Company alleging that our Company had collected lease rent of Rs. 1,90,04,159 during the F.Y. 2008-09 but did not pay Service Tax to the Department. Subsequently, the Department vide Order No: 04/Addl.Commr./S.tax/2010-11	23,48,914	The matter will be listed for hearing in due Course.

			<p>dated 31.03.2011 raised a demand of Rs. 23,48,914 and also imposed penalty u/s 76 and 77.</p> <p>Aggrieved by the said order, our Company filed appeal before Commissioner of (Appeal-I) on 16.07.2011 with stay petition.</p> <p>Vide order dated 07.10.2011 the Commissioner of Central Excise (Appeal-I) remanded back the matter to lower authority to decide afresh after giving sufficient opportunity of personal hearing.</p>		
11.	Commissioner of Central Excise Appeal-II, Kolkata V/s Shalimar Paints Limited	<p>Appeal no. C.No. I(22) 18/Misc/Appeals/HQ Pool/Kol-North/2017</p> <p>Authority: CGST & CX, Kolkata North Commissionerate</p>	<p>The Department issued three Show Cause Notices to our Company for the period from 06.12.2001 to 29.03.2002 alleging that our Company had supplied paints to Naval Authority without payment of duty while availing the benefit of notification No: 64/95 dated 16.03.1995 resulting in short payment of duty of Rs. 5,14,145. Our Company submitted reply on 17.12.2012.</p> <p>The Assistant Commissioner, Central Excise, Howrah South Division-II vide Order-in-Original No. 04-06/AC/HSD-II/Adjn./2013-14 dated 23.07.2013 confirmed the demand of Rs. 5,14,145 and raised penalty of same amount.</p> <p>Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 28.10.2013.</p>	10,28,290	<p>Last hearing date: 07.05.2018</p> <p>Order awaited</p>
12.	Commissioner of Central Excise Kolkata V/s Shalimar Paints Limited	CESTAT Order No: S-270/A-419 dated 07.07.2010	<p>During CERA Audit, it was pointed out that lease rent amounting to Rs. 39,99,547 collected from dealers should come under Business Auxiliary Service in Service Tax resulting in loss of revenue of Rs.3,19,955.</p> <p>Show Cause Notice No. C.No.V(19)35/CERA/SP/ST/D-II/05/139-140 dated</p>	6,40,910	The matter will be listed for hearing in due Course.

			<p>25.08.2005 was issued against our Company.</p> <p>An Order-in-Original No: 10/ST/D-II/Kol /07-08 dated 25.06.2007 was passed raising tax demand of Rs.3,19,955 with penalty.</p> <p>Aggrieved by the said order, our Company had filed an Appeal before the Commissioner of Central Excise on 15.10.2007 with stay petition. Stay was allowed on 11.12.2009 but our Company was directed to deposit 50% of the total amount of Service Tax with penalties within three weeks from the date of order. Due to non-payment of pre-deposit our appeal was rejected vide order Appellate order No: 31/ST/2010 dated 16.02.2010.</p> <p>Our Company filed second appeal before CESTAT with stay application on 17.05.2010. The CESTAT passed the order No: S-270/A-419 dated 07.07.2010 remanding back the matter to lower authority for fresh adjudication.</p>		
13.	Commissioner Central Excise Kolkata Appeal –II V/s Shalimar Paints Limited	<p>Since not listed for hearing, appeal is not numbered yet)</p> <p>Last Authority: CGST & CX, Kolkata North Commissionerate</p>	<p>This case was related to wrongful availing benefit of Exemption Notification No.3/2004-CE dated 08.01.2004 for supply of paints to M/s. Driplex Water Engineering Limited, and also claimed abatement @Rs.4.77 per litre towards equalized freight. Total amount of duty involved with penalty (Rs.2,11,375+2,11,375=Rs.4,22,750).</p> <p>A show cause cum demand No. V (15)29/SCDN /Shalimar Paints/CE/HSD-II/2008/159-160 dated 21.01.2009 was issued by the Assistant Commissioner of Central Excise. Our Company submitted the reply to the show cause cum demand notice on 21.12.2010.</p>	4,22,750	The matter will be listed for hearing in due Course.

			<p>Order in original No. 20/AC/HSD-II/Adjn./10-11 dated 04.02.2011 has been issued confirming the demand of duty of Rs. 2,11,375 plus penalty of an equal amount. An allegation was also there for claiming deduction of equalized freight @ Rs.4.77 per litre from assessable value. The department alleged that the same was not eligible for deduction to determination of price under Valuation Rules, because price of the goods is not uniform of all over the country.</p> <p>Our Company filed an appeal before Commissioner of Central Excise (Appeal-II) on 12.04.2011. An order dated 08.03.2018 has been passed by the Commissioner of Central Excise (Appeal-II) wherein the above said order has been upheld and duty and penalty has been confirmed. Aggrieved by the said order our Company has filed an appeal with CESTAT on 16.07.2018.</p>		
14.	Commissioner Kolkata Appeal –II V/s Shalimar Paints Limited	Order no.: 173/HWH/XAP-50/2017-18 Authority: CGST & CX, Kolkata North Commissionerate	<p>A Show Cause cum Demand Notice No.20/94 dated 12.06.1994 was issued relating to Modvat credit of Rs.2,76,982 on damaged raw materials and packaging materials of Rs.16,64,918 pertaining to the period of 1991-92 and 1992-93. The said stock was written off in the books of accounts. The Department alleged that the same was recoverable under Rule 57 of Central Excise, Rules 1994. Our Company submitted its reply refuting the said allegations. The demand of Rs. 2,78,982 including penalty of Rs. 2,000 was confirmed by Adjudicating Authority.</p> <p>Our Company filed appeal before the Commissioner of Central Excise (Appeal-II) on 07.12.2012 with stay application. Thereafter, demand was reduced to Rs.5,514 and</p>	Nil	Disposed off

			Our Company has paid the said amount.		
15.	Commissioner Central Excise, Kolkata Appeal –II V/s Shalimar Paints Limited	Appeal no. C.No. I(22) 18/Misc/Appeals/ HQ Pool/Kol- North/15014 Authority: CGST & CX, Kolkata North Commissionerate	Show Cause cum Demand Notice No: V(15)13/SCN/SPL/CE/HSD- II/2011/1509 dated 27.09.2011 was issued. Our Company had submitted its reply. Vide Order- in-Original No: 30/AC/HSD- II/ADJ./2012-13 dated 30.03.2013 demand of Rs.96,456 was confirmed by the Department along with penalty of equivalent amount. Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 04.07.2013.	1,92,912	Last hearing date: 11.06.2018 Order awaited
16.	Commissioner of Central Excise, Kolkata Appeal –II V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered yet Last Authority: CGST & CX, Kolkata North Commissionerate	Show Cause Notices were issued to our Company alleging deduction of additional trade discount from assessable value resulting in short levy of duty. The Department confirmed the said demand of Rs.32,79,806 plus penalty of Rs.12,00,000 vide Order- No: 87- 90/JC/CE/KOL-II/ADJN/2010- 11 dated 28.02.2011. Aggrieved by the said order, our Company filed an Appeal on 02.06.2011 with stay petition before Commissioner of Central Excise (Appeal-II). Commissioner, CGST & CX, Kolkata North Commissionerate vide Order no. 81/HWH/XAP-27/2017-18 dated 28.03.2018 upheld the earlier order while rejecting the appeal and disposing off the stay petition. Aggrieved by the said order our Company has filed an appeal with CESTAT on 06.09.2018.	44,79,806	The matter will be listed for hearing in due Course
17.	Commissioner of Central Excise Appeal-II Kolkata V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered yet Authority: CESTAT	The Department had alleged that our Company had taken benefit/deduction of Rs.4.77 per ltr/kg from our clearance from factory to depots before arrival of assessable value resulting in short levy of duty. Our Company had received three Show cause notices for	42,19,618	The matter will be listed for hearing in due Course

			<p>the period from April 2009 to August 2010 and one single Order-in-Original: No.30-32/ADC/CE/KOL-II/Adjn/2011-12 dated 09.09.2011 was passed raising a demand of Rs. 21,09,809 along with penalty of the same amount.</p> <p>Aggrieved by the said order, our Company had filed an Appeal before Commissioner (Appeal-II) on 15.11.2011 including stay petition. The stay was granted on 16.10.2012 while directing our Company to make pre-deposit of Rs.10 lacs before 15.11.2012. Our Company deposited the money and the said appeal was rejected vide order dated 02.01.2013.</p> <p>Our Company filed a second Appeal before CESTAT on 08.04.2013 with stay petition. The CESTAT has stayed the demand of duty and penalty.</p>		
18.	Commissioner of Central Excise Appeal –II Kolkata V/s Shalimar Paints Limited	Order No. 10-17/AC/HSD-II/Adjn/2012-13 dated 30.11.2012.	<p>Eight Show Cause Notices had been issued for the period from October 2008 to December 2011. The Department alleged that our Company had supplied paints to GRSE without payment of duty availing exemption under notification No: 64/95 dated 16.03.1995 resulting in short payment of duty to the tune of Rs. 4,82,955. The Assistant Commissioner of Central Excise, Howrah South Division -II confirmed demand with penalty equivalent to Rs.4,82,955 vide Order-in-Original No: 10-17/AC/HSD-II/Adjn/2012-13 dated 30.11.2012.</p> <p>Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 14.02.2013.</p>	9,65,910	<p>Last hearing date: 07.05.2018</p> <p>Order awaited.</p>
19.	Commissioner of Central Excise Appeal-II Kolkata V/s	Order No. 35/ADC/CE/KOL-II/	The Department alleged clearance of goods without payment of duty to Indian Navy and wrong availment of benefit of notification No.64/95-CE	9,43,798	<p>Last hearing date: 07.05.2018</p> <p>Order awaited</p>

	Shalimar Paints Limited	Adjn/2011-12 dated 31.10.2011	<p>dated 16.03.1995. A Show Cause Notice cum Demand NoticeNo. (15)36/CE/Kol-II/Adjn/ 2009/30 dated 04.05.2009 was issued under CNo.V-Ch.27, 32, & 38.</p> <p>An Order-in-Original No. 35/ADC/CE/KOL-II/ Adjn/2011-12 dated 31.10.2011 confirmed the demand Rs. 4,71,899 and also imposed penalty of same amount.</p> <p>Our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 05.01.2012.</p>		
20.	Commissioner of Central Excise Appeal –II Kolkata V/s Shalimar Paints Limited	Order No: 24-26/AC/ HSD-II/Adjn/2012-13 dated 30.03.2013	<p>Three Show Causes Notices had been issued for the period from January 2001 to August 2002 alleging supply of paints to GRSE without payment of duty after availing exemption under notification No: 64/95 resulting in short payment of duty to the tune of Rs. 4,48,409 with proposed penalty of Rs.4,48,409 and our Company submitted its reply.</p> <p>Vide Order-in-Original No: 24-26/AC/ HSD-II/Adjn/2012-13 dated 30.03.2013 the Assistant Commissioner, Central Excise, Howrah South Division –II, confirmed the demand.</p> <p>Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 29.05.2013.</p>	8,96,818	<p>Last hearing date: 07.05.2018</p> <p>Order awaited</p>
21.	Commissioner of Central Excise Appeal-II Kolkata V/s Shalimar Paints Limited	Order No: 15/DC/HSD-II/Adjn/2013-14 dated 29.10.2013	<p>The Department issued Show Cause cum Demand Notice No: 13 under C.No. CE-13(1)/R-II/HS/98/60 dated 22.02.2001.</p> <p>It was alleged that during the period from 09.03.2000 to 19.06.2000 our Company had cleared 18,020 litre paints valued Rs.20,76,441 to Naval Authority without payment of duty availing the benefit of Notification No.64/95-CE dated 16.03.95 resulting in short payment of duty of Rs.1,66,116. Our Company replied on 05.08.2001 praying to drop the demand of</p>	3,32,232	<p>Last hearing date: 07.05.2018</p> <p>Order awaited</p>

			<p>Rs.1,66,116 but the demand was confirmed by the Deputy Commissioner, Central Excise Howrah South Division-II vide Order-in-Original No: 15/DC/HSD-II/Adjn/2013-14 dated 29.10.2013 and a penalty of same amount was also imposed.</p> <p>Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay petition on 30.12.2013.</p>		
22.	Commissioner of Central Excise Appeal-II Kolkata V/s Shalimar Paints Limited	<p>Order no. 93/HWH/XAP-107/2017-18 dated 02.04.2018</p> <p>Since not listed for hearing, appeal is not numbered yet</p>	<p>The Department had alleged in their four Show Cause Notices dated 25.05.1987, 15.09.1987, 17.02.1988 and 02.08.1988 that the goods cleared for abrasive and adhesive bonding which were based on combination of Alkyd resin with other resins should be classified under sub-heading 3501.90 and 3506.00 and rate of duty should be 16% and 25% with special duty @ 5% of the basic duty, resulting loss of revenue to the tune of Rs.1,30,581. Our Company submitted its reply but demand was confirmed vide Order- No: 08-11/AC/HSD-II/Adjn/2013-14 dated 24.07.2013 by the Assistant Commissioner, Central Excise, Howrah South Division-II</p> <p>Aggrieved by the said order, our Company filed an appeal before Commissioner of Central Excise (Appeal-II) with stay on 28.10.2013. Commissioner, CGST & CX, Kolkata North Commissionerate vide Order no. 93/HWH/XAP-107/2017-18 dated 02.04.2018 upheld the earlier order passed by the Assistant Commissioner while rejecting the appeal and disposing off the stay petition.</p> <p>Aggrieved by the said order our Company has filed an appeal with CESTAT on 10.09.2018</p>	2,61,162	The matter will be listed for hearing in due Course
23.	Commissioner of Central	Appeal no. C.No. V(27)2/XAP-	Vide Order-in-Original: 18/AC/CE/HSD-II/Adjn./2012-	NIL	Disposed off

	Excise Appeal -II Kolkata V/s Shalimar Paints Limited	25/Kol- II/13/20096 Authority: CGST & CX, Kolkata North Commissionerate	13 dated 31.12.2012 a classification issue for the period from April, 1990 to October 1994 was raised by the Department alleging short payment of Excise duty of Rs.1,54,320. Aggrieved by the said order, our Company filed an appeal on 14.05.2013 before Assistant Commissioner of Central Excise (Appeal -II) with stay petition. Commissioner, CGST & CX, Kolkata North Commissionerate vide Order no. 80/HWH/XAP-25/2017-18 dated 28.03.2018 had set aside the earlier order passed by Assistant Commissioner.		
24.	Commissioner of Central Excise (Appeal -1) V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered yet) Authority: CGST & CX, Kolkata North Commissionerate	In the course of EA-2000 Audit, the Department observed that our Company had availed Cenvat Credit of the invoices of HR Coils for Rs. 4,771 and of Metal Casting for Rs. 42,271 under the head of Capital goods in terms of Rule 4(2)(a) of the Cenvat Credit Rules, 2004. The Department issued Show Cause Notice alleging wrongful availment of CENVAT credit as per Rules 2, 3 and 4 of Cenvat Credit Rules, 2004. Our Company submitted written reply with relevant documents. Relief of Rs. 4,771 for H.R. Coils was granted and demand relating to Metal casting of Rs. 42,271 was confirmed vide Order-in-Original No: 04/AC- DC-04/HOW-III/Adjn/Kol- II/15-16 dated 20.07.2015. Penalty of an equivalent amount was also imposed. Aggrieved by the said order, our Company filed an Appeal before Commissioner (Appeal- 1) on 14.09.2015. The Commissioner passed Order-in- Appeal Number 24/HWH/XAP-75/2017-18 dated 28.02.2018, wherein the earlier order passed on 20.07.2015 was set aside. Thereafter, an order for refund	NIL	Disposed off

			has also been passed for Rs. 4,331.		
25.	Commissioner Appeal –II V/s Shalimar Paints Limited	Appeal no..C.No. V(39)2/XAP-53/Kol-II/13/20086 Authority: CGST & CX, Kolkata North Commissionerate	<p>Show Cause cum Demand Notices No.24/94 dated 28.12.1994 and another no. C.No. CE-13(1)R-II/HS/94/993 dated 29.12.1994 were issued against our Company relating to contravention of Rule 57F (1)(ii), Rule 9(1),173F and 173G of the Central Excise Rules, 1944 for clearing input during the period March 1993 to January 1994 valued at Rs.3,74,500 from the factory without payment of excise duty.</p> <p>Our Company filed its reply dated 14.02.1996. Order in original No:2/AC/HSD-II/Adjn/2012-13 dated 27.09.2012 was passed by the Assistant Commissioner, Central Excise Howrah South Divn–II confirming the demand.</p> <p>An appeal was filed by our Company before Commissioner Appeal-II on 07.12.2012. Commissioner, CGST & CX, Kolkata North Commissionerate vide Order no. 83/HWH/XAP-53/2017-18 dated 28.03.2018 had set aside the earlier order passed by Assistant Commissioner and upheld the appeal.</p>	NIL	Disposed off
26.	Commissioner of Central Excise (Appeal-II) V/s Shalimar Paints Limited	Since not listed for hearing, appeal is not numbered Authority: CGST& CX, Kolkata North Commissionerate	<p>The Department issued Show Cause Notice for delayed payment of Service Tax and non-payment of interest. Though our Company deposited interest of Rs. 11,592 a penalty of Rs. 10,000 was imposed by the Assessing Authority u/s 77(1)(c)(ii) vide Order-in-Original No. 28/ST-II/Ballygunge Division/kol/2016 dated 13.12.2016.</p> <p>Aggrieved by the said penalty, our Company filed an appeal before Central Excise Commissioner (Appeal -II) with pre- deposit of Rs.750.</p>	NIL	Disposed off

			Vide order received on 23.04.2018 appeal has been partly allowed and demand of Rs.10,000 with penalty has been dropped. Thereafter, an order for refund has also been passed for Rs. 813.		
27.	Joint Commissioner Central Excise Kolkata -II Commissioner ate V/s Shalimar Paints Limited	Appeal no.:E/71285 /2013-SM	<p>Show Cause Notice cum Demand had been issued on 10.06.2009 for alleged wrong availment of benefit of Service Tax credit on Advertisement agency service received from Pressman Advertising and demand of Rs 11,84,934 was raised. Our Company filed a reply against the same on 18.03.2010. The Joint Commissioner of Kolkata-II confirmed the demand vide Order-in-Original no. 05/Joint Commissioner/CE/KOL-II/Adjn./2010-11 dated 10.05.2010. Thereafter, appeal was filed before the Commissioner (Appeal-II) of Central Excise on 08.07.2010 along with stay petition. Vide Order in Appeal 98/Kol-II/2012 dated 05.10.2012 the Commissioner of Central Excise (Appeals) Kol-II confirmed the demand.</p> <p>Aggrieved by the said order, our Company filed second appeal before Appellate Tribunal on 30.10.2013 and the CESTAT issued order for waiver of pre-deposit on 10.01.2014 vide Order No. SO/75046/2014.</p> <p>Vide order received on 05.01.2017 appeal has been allowed and demand of Rs.11,84,934.00 with penalty has been dropped.</p>	NIL	Disposed off
28.	Additional Commissioner of Service Tax, Kolkata V/s Shalimar Paints Limited	Appeal no.:65/ST/KOL/16-17	The Department issued Show Cause Notice dated 01.03.2010 to pay appropriate Service Tax payable for "Consulting Engineer Service", amounting to Rs.1,33,426+2669+2,00,000(penalty)+1000 (penalty). Our Company filed the reply to the Show Cause Notice. Vide Order in Original	NIL	Disposed off

			<p>No. 156/ST/Div-III/Adjn/10-11 dated 30.03.2011 Assistant Commissioner, Service Tax Division-III demand confirmed with penalty under reverse charged mechanism.</p> <p>Aggrieved by the same, our Company filed appeal before Commissioner of Central Excise (Appeal-I) on 18.08.2011 which was allowed vide Order-in-Appeal No: 65/ST/KOL/16-17 dated 17.06.2016.</p>		
29.	<p>Commissioner Appeals Nashik, Maharashtra V/s Shalimar Paints Limited</p>	<p>Appeal No. E /113 to 115/2010</p> <p>Authority: Assessing Authority</p>	<p>Joint Commissioner (Adjudication) passed the Order-in-Original 3/CEX/2007 dated 21.12.2007 allowing disputed credit of Rs.14,13,094 and not allowed the credit of Rs.1,38,684.</p> <p>The Department filed appeal against the relief given and the Commissioner Appeal remanded back the matter to the Joint Commissioner for fresh adjudication wherein it was decided against our Company.</p> <p>An appeal was filed by our Company to the Commissioner Appeal which was also rejected.</p> <p>Aggrieved by the same, our Company filed a second appeal no. 445/2017-18 to CESTAT after depositing full amount of Rs.9,80,112. CESTAT was pleased to allow our appeal and set aside the above order. The Department was directed to file fresh grounds of appeal in the first appellate authority. Thereafter, the Department has issued a hearing notice for payment of interest and penalty. The amount is not yet crystalized in the hearing on 29.10.2018.</p>	NIL	<p>Next hearing date is awaited</p>

VAT CASES**(Amount in Rupees)**

S. No.	Parties in the Suit	Case Number/Court/A authority	Brief Facts of the Case	Amount Involved	Present Status
Bihar					
1.	Bihar State (Commercial Tax Department) V/s Shalimar Paints Limited	2012-13/CTO/VAT	Tax turnover is incorrect. An Appeal was filed on 18.10.2017 with the Joint Commissioner.	1,17,53,654	Next date of hearing: 13.12.2018
2.	Bihar State (Commercial Tax Department) V/s Shalimar Paints Limited	2013-14/CTO/CST	Disallowed Credit Note and Closing stock. An appeal has been filed by our Company.	35,19,611	Next Date of hearing: 27.11.2018
Delhi					
3.	Delhi State (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15/250012650604 /AVATO/VAT	Quarterly penalties imposed by Department due to late submission of VAT Return. Order passed by the Assessing Officer was upheld by the Appellate Tribunal on 22.11.2017 (61-64ATVAT/16-17/3040-3047). Second appeal was filed by our Company with High Court of Delhi on 20.12.2017.	4,07,214	The matter will be listed for hearing in due Course
Jharkhand					
4.	Jharkhand (Commercial Tax Department) V/s Shalimar Paints Limited	Authority: Deputy Commissioner/ Assistant Commissioner/ Commercial Tax Officer	Non-payment of taxes Notice has been received on 18.07.2018 wherein it was alleged that the Company has not paid the taxes. Our Company is in the process of filing a reply.	16,74,377	Next Date: 28.11.2018
Karnataka					
5.	Karnataka State (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15 (Oct.14 to Sept.15)/2886780 56/JCCT/ VAT	Late Submission of VAT & CST Returns. An order dated 24.07.2017 has been passed wherein demand has been confirmed. Our Company has filed an appeal against the said order.	24,07,693	Next Date of Hearing: 11.01. 2019
6.	Karnataka State (Commercial Tax Department)	2011-12/VAT	Tax turnover is incorrect.	16,85,277	The matter will be listed

	V/s Shalimar Paints Limited		Our Company has filed an appeal against the said order.		for hearing in due Course
7.	Shalimar Paints Ltd. Vs Karnataka State (Commercial Tax Department) V/s Shalimar Paints Limited	2012-13	Non-Submission of document (C & F Forms) during assessment The matter is pending before Assistant Commissioner of Commercial Tax.	39,47,257	The matter will be listed for hearing in due Course
8.	Karnataka State (Commercial Tax Department) V/s Shalimar Paints Ltd.	2018-19/Assistant Commissioner of Commercial Taxes, (Enforcement)-01, South Zone, Bangalore	For furnishing Books of Accounts of the Company for verification. Our Company has filed a reply on 17.09.2018 and paid the outstanding balance tax with interest and late fees wherein asking for grant of time to submit the accounts which were desired by Assistant Commissioner of Commercial Tax during the inspection held on 14.08.2018. Notice dated 25.10.2018 received in first week of November wherein interest and penalty has been imposed and total demand now is for Rs. 1,43,60,438.	1,43,60,438	Our Company is in the process of filling a reply.
Kerala					
9.	Kerala State (Commercial Tax Department) V/s Shalimar Paints Limited	2005-06/32070328132/ 2005-06/Appellate authority-DC/VAT	Disallowance of Sales Return on account of Debit & Credit Notes resulting in an increase in turnover. Matter is pending in Appeal before Assistant Commissioner as per the order dated 21.11.2017 of Deputy Commissioner for remanding the said case.	4,64,749	The matter will be listed for hearing in due Course
10.	Kerala State (Commercial Tax Department) V/s Shalimar Paints Limited	2006-07/32070328132/ 2006-07/ Appellate authority-DC/VAT	Disallowance of Stock transfer of Rs.48,69,821 due to non-submission of transport documents in support of F Form produced. Matter is pending in Appeal before Assistant Commissioner as per the order dated 21.11.2017 of Deputy Commissioner for remanding the said case.	23,89,784	The matter will be listed for hearing in due Course
11.	Kerala State (Commercial Tax Department)	2012-13/32070328132/ 2012-13/Appellate	Sales return disallowed & Trading account showing loss was wrong.	52,70,449	The matter will be listed for hearing in due Course

	V/s Shalimar Paints Limited	authority-DC/VAT	An appeal was filed on 10.07.2015 to Deputy Commissioner. The stay was granted.		
Maharashtra					
12.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2007-08/JC/LTU/MUM BAI/B-655/Joint Commissioner/CS T	Non-Production of C & F Forms Order has been passed on 31.10.2017 where the demand has been reduced from Rs.10,34,54,599 to Rs. 5,75,80,709. Aggrieved by the said order an appeal was filed on 22.11.2017 .	5,75,80,709	The matter will be listed for hearing in due Course
13.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2009-10/791-792A/Tribunal/CS T	Non- production of C Forms. An appeal was filed by our Company against assessment order dated 28.03.2014 to Joint Commissioner of Sales Tax, whereafter, an order was passed on 30.10.2017 in which appeal was partly allowed. Aggrieved by the said order our Company has filed an appeal on 31.08.2018.	5,72,146	The matter will be listed for hearing in due Course
14.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2010-11/JC/LTU/MUM BAI/B-718/Tribunal/CST	Non-Production of C, F & I Forms Order has been passed on 31.10.2017 where the demand has been reduced from Rs.6,34,39,341 to Rs. 2,30,11,361. Aggrieved by the said order an appeal was filed on 22.11.2017.	2,30,11,361	The matter will be listed for hearing in due Course
15.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2011-12/E003/1617/894 9662/CST	Non-Production of C Forms. An Appeal was filed with Maharashtra Sales Tax Tribunal, Mumbai on 04.04.2017 and further rectification was filed on 03.03.2018. Vide order dated 22.01.2018 Maharashtra Sales Tax Tribunal, Mumbai directed our Company to make part payment of Rs. 8 Lakhs which our Company made on 20.02.2018.	45,18,938	Rectification application dismissed by Maharashtra Sales tax tribunal.
16.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2012-13/E-003/1617/914068 0/CST	Non-Production of C&F Forms. An Appeal was filed with Maharashtra Sales Tax Tribunal, Mumbai on 08.08.2017. Thereafter, order	Demand reduced from 7,74,24,387 to 71,08,917	Rectification application dismissed by Maharashtra Sales tax tribunal.

			dated 22.01.2018 has been passed by Maharashtra Sales Tax Tribunal, Mumbai for part payment of Rs. 71,08,917 till 22.03.18. Aggrieved by the said order Company filed an appeal dated 13.03.2018 before Maharashtra Sales Tax Tribunal, Mumbai for rectification of amount.		
17.	Maharashtra State (Commercial Tax Department) V/s Shalimar Paints Limited	2012-13/E-003/1617/910613 7 /VAT	Reversal of liability for ITC on Works Contract & less allowance of other ITC. An Appeal was filed with Maharashtra Sales Tax Tribunal, Mumbai on 05.06.2017. Corrigendum Order has been passed by Hon'ble Tribunal, Mumbai on 14.02.2018 directing deposit of Rs. 2,50,000 as a part payment.	16,27,315	The matter will be listed for hearing in due Course
Odisha					
18.	Odisha State (Commercial Tax Department) V/s Shalimar Paints Limited	2013-15/Deputy Commissioner/ET	Entry tax on turnover declared short by Rs. 16,820. Demand raised on account of the same. An Appeal dated 17.09.2016 was filed with Additional Commissioner.	50,461	The matter will be listed for hearing in due Course
19.	Odisha State (Commercial Tax Department) V/s Shalimar Paints Limited	2013-15/Deputy Commissioner/CS T	Non- production of C and F Form An Appeal dated 17.09.2016 was filed with Joint Commissioner of Commercial Tax.	5,43,554	Next Date of Hearing : 24.11.2018
20.	Odisha State represented by Commissioner of Sales Tax(O), Cuttack V/s Shalimar Paints Limited	2005-06(01.04.2005-30.07.2006/Tribunal/Deputy Commissioner/V AT/ET	Sales Tax Return disallowed, entry tax & escalation in turnover. Orissa Sales Tax Tribunal passed an order dated 02.04.2012 wherein the case was remanded to the Assessing Authority for fresh assessment.	7,16,611	The matter will be listed for hearing in due Course
Punjab					
21.	State of Punjab (Commercial Tax Department) V/s Shalimar Paints Limited	2006-07/Assistant Excise & Taxation Commissioner/V AT	Lorry Detention Charges. An appeal dated 14.03.2007 was filed with Assistant Excise & Taxation Commissioner.	28,360	Last Date of hearing: 28.06.2018 Order awaited

22.	State of Punjab (Commercial Tax Department) V/s Shalimar Paints Limited	2007-08/Deputy Excise & Taxation Commissioner/V AT	Lorry Detention Charges. An Appeal dated 24.09.2007 was filed with Deputy Excise & Taxation Commissioner.	83,782	Last Date of hearing: 28.06.2018 Order awaited
23.	State of Punjab (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15/Deputy Excise & Taxation Commissioner/V AT	Lorry Detention Charges An Appeal dated 13.10.2015 was filed before Joint Director Enforcement-cum-Deputy Excise & Taxation Commissioner (Appeals), Patiala.	61,507	The matter will be listed for hearing in due Course
24.	State of Punjab (Commercial Tax Department) V/s Shalimar Paints Limited	2013-14/Deputy Excise &Taxation Commissioner/V AT	Lorry Detention Charges An Appeal dated 5.11.2013 was filed with Deputy Excise & Taxation Commissioner.	1,31,872	Last Date of hearing: 28.06.2018 Order awaited
Rajasthan					
25.	Rajasthan (Commercial Tax Department) V/s Shalimar Paints Limited	2015-16	Truck seizure case. An Appeal has been filed against the order dated 13.08.2015.	2,28,084	The matter will be listed for hearing in due Course
Uttar Pradesh					
26.	Uttar Pradesh State (Commercial Tax Department) V/s Shalimar Paints Limited	2014-2015/CST	Turnover Enhancement. An Appeal has been filed before Additional Commissioner Appeal on 05.04.2018.	60,76,200	The matter will be listed for hearing in due Course
27.	Uttar Pradesh State (Commercial Tax Department) V/s Shalimar Paints Limited	2015-2016/VAT	For both the returns of VAT and CST: Ex-parte orders has been passed on 23.09.20117 alleging Turnover Enhancement and Non- Production of Forms, etc.	2,60,000	The matter will be listed for hearing in due Course
28.	Uttar Pradesh State (Commercial Tax Department) V/s Shalimar Paints Limited	2015-2016/CST	The Department has extended the time for Form C and Form F	1,36,39,741	The matter will be listed for hearing in due Course
Uttarakhand					
29.	Uttarakhand (Commercial Tax Department) V/s Shalimar Paints Limited	2008-2009	Stock Transfer Difference in the VAT Return. An Appeal dated 26.02.2013 was filed with Joint Commissioner. Thereafter order has been passed on	23,46,605	Next date of hearing is awaited.

			28.07.2018 for reassessment. The matter was last listed on 12.11.2018 and not concluded.		
30.	Uttarakhand (Commercial Tax Department) V/s Shalimar Paints Limited	2013-14/VAT	Credit Notes & RGR rejected. An Appeal dated 26.10.2017 has been filed with Commissioner Appeal, Uttarakhand.	14,40,333	The matter will be listed for hearing in due Course
31.	Uttarakhand (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15/CST	Non-Production of F Forms Notice has been received in October 2018 for the non-payment of VAT in lieu of F form.	3,00,078	Our Company is in the process of filling a reply for the reassessment of the same.
32.	Uttarakhand (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15/VAT	Notice has been received in October 2018 for the non-payment of VAT on turnover enhancement and penalty has been imposed on our Company.	48,34,123	Our Company is in the process of filling a reply for the reassessment of the same.
33.	Uttarakhand (Commercial Tax Department) V/s Shalimar Paints Limited	2016-17/VAT	Show Cause notice has been received in October 2018 for delay in payment of VAT and late fees. Our Company is in the process of filling a reply for the same.	1,01,889	Date of Hearing: 19.11.2018
West Bengal					
34.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2003-04/ VAT	Non-production of Bengal Declaration forms. An Appeal dated 27.06.2011 filed with Revision Board.	11,54,403	The matter will be listed for hearing in due Course
35.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2003-04/ CST	Non-Production of Form C, D & F. An Appeal dated 27.06.2011 filed with Revision Board.	41,85,976	The matter will be listed for hearing in due Course
36.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2004-05/ VAT	Non-Production of Bengal Forms and Export certificate and Escalation of Turnover Matter is pending in Taxation Tribunal.	87,90,755	The matter will be listed for hearing in due Course
37.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2004-05/CST	Non- Production of Forms C, D & F. An appeal has been filed before the West Bengal Taxation Tribunal, Kolkata..	27,69,907	The matter will be listed for hearing in due Course
38.	West Bengal State (Commercial	2005-06/1557/2010-	Non- Production of Forms C, D & F, Custom Clearance Certificate.	51,89,677	Next Hearing dated 30.11.2018

	Tax Department) V/s Shalimar Paints Limited	11/Revisionary Board/CST	An Appeal dated 30.08.2010 filed with Revision Board.		
39.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2006-07/CST	Non- Production of Forms C & F, Custom Clearance Certificate. An Appeal dated 15.12.2010 has been filed with Revision Board.	3,691,886	The matter will be listed for hearing in due Course
40.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2007-08/Rev - 100/Ft-iii/15- 16/Revision Board/CST	Non- Production of Forms C. An Appeal dated 14.09.2017 was filed with High Court of Calcutta.	23,16,846	The matter will be listed for hearing in due Course
41.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2008-09/Rev- 192/CT/FT-V/15- 16/High Court	Non- Production of Forms C & F. An Appeal dated 14.09.2017 was filed with High Court of Calcutta.	69,30,635	The matter will be listed for hearing in due Course
42.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2009-10/Rev- 428FT-V/15- 16/Joint Commissioner	Non- Production of Forms C & F. An Appeal dated 16.09.2013 was filed for CST with Revision Board.	22,39,296	The matter will be listed for hearing in due Course
43.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2010-11/A- 119/D/13-14/CST	Disallowance of Tax Credit and Non- Production of C Forms An Appeal dated 21.10.2014 was filed with Revision Board.	61,16,370	The matter will be listed for hearing in due Course
44.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2011- 12/:2518/15- 16/VAT and 2011- 12/:2519/15- 16/VAT	Disallowance of ITC, Purchase Tax, Sales Tax Return and Non- Production of Custom Certificate	27,67,389	The matter will be listed for hearing in due Course
45.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2011- 12/:2518/15- 16/VAT and 2011- 12/:2519/15- 16/CST	Non-Production of Forms C & F Forms. Revision order passed by department.	2,30,60,536	Notice for demand received-Our Company is considering to file the appeal.
46.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2012- 13/SA/2012- 13/01/20/C/78 /CST	Non- Production of Forms C. Appeal was filed with Additional Commissioner of Commercial Tax on 18.10.2016 . Direction issued on 25.11.2016 for deposit of 15% of disputed amount. Another appeal was filed to High Court of Calcutta for stay on such direction.	86,53,522	The matter will be listed for hearing in due Course

47.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2013-14/CAU/20VA/113/High Court/VAT	Disallowance of ITC, Purchase Tax, enhanced turnover, sales return disallowed, Non-Production of F Forms and mismatch in Sales Tax return. An Appeal dated 25.10.2016 was filed with Additional Commissioner of Commercial Tax. Direction was issued on 22.11.2016 for deposit of 15% of disputed amount. Another appeal was filed to High Court for stay on such direction. Thereafter, appeal for deposit was rejected and the matter has been restored.	2,72,51,289	The matter will be listed for hearing in due Course
48.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2013-14/CAU/20/CA/114/High Court/CST	Non- Production of Forms C & Custom Certificate. An Appeal dated 25.10.2016 was filed with Additional Commissioner of Commercial Tax. Direction issued on 22.11.2016 for deposit of 15% of disputed amount. Further Appeal filed to High Court for stay on such direction.	3,78,69,143	The matter will be listed for hearing in due Course
49.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2014-15/CAU/20/CA/39 u/s ((2) read with Sec 43 (CST& VAT)	Non- Production of Form F, Custom certificate for export sales. An Appeal was filed on September 2017 with Additional Commissioner Sale Tax.	1,95,75,816	Last Date of Hearing: 19.09.2018 Order Awaited
50.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2015-16/VAT	Sales Tax Return disallowed Non- production of C and F Form, Cash Discount disallowance An Appeal was filed on 16.08.2018 with Additional Commissioner Sale Tax.	25,41,240	The matter will be listed for hearing in due Course
51.	West Bengal State (Commercial Tax Department) V/s Shalimar Paints Limited	2015-16/CST	Enhanced turnover, sales return disallowed Non- production of C and F Form An Appeal was filed on 16.08.2018 with Additional Commissioner Sale Tax.	23,82,473	The matter will be listed for hearing in due Course
Andhra Pradesh					
52.	Andhra Pradesh (Commercial Tax Department)	Re.no.2018(SEN)/SA-VIII, Dv	Scrutiny of VAT200 returns Show Cause notice has been received wherein it was alleged	8,02,136	Our Company is in the process of filing a reply.

	V/s Shalimar Paints Limited		by the department that our Company has paid tax belatedly during the year 2016-17. Our Company is in the process of filing a reply for the said notice.		
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In addition, there were 16 VAT related cases during last 10 years which have since been disposed off.

OTHER CASES

A) LABOUR CASES

There are 13 cases pending in various Labour Court out of which 11 has been filed by employees/ex-employees and/or Labour unions against our Company and 2 cases have been filed by us against employees. The amount involved is Rs. 98.03 Lakhs.

B) GRATUITY MATTERS

Our Company has received notices from Office of the Deputy Labour Commissioner, Howrah directing our Company to appear before the Authority alleging that gratuity offered was less than what was due/ Gratuity had not been paid to employees. Our Company had filed the common written statement in all the 21 matters and the matters are still pending. The total amount involved is Rs. 126.50 Lakhs.

OTHER DISCLOSURES

Except as disclosed above, our Promoter, Directors of our Promoter, Directors, and Subsidiary Companies are not declared as wilful defaulters by RBI/ government authorities and there are no violations of securities laws committed by them in the past or pending against them. Our Company, Promoter, Directors, and Subsidiary Companies have not been prohibited from accessing the capital markets under any order or direction passed by SEBI and no penalty has been imposed at any time by any of the regulators in India or abroad. Further, except as above no regulatory action has been initiated / taken against our Company, our Promoter by any regulatory bodies.

Further, Our Board of directors in its meeting on July 10, 2018 also adopted a '**Materiality Policy for our Company and its Subsidiaries**' in relation to outstanding litigations/ legal proceedings. This policy states that legal proceedings which may not have any impact on the future revenues of our Company will be treated as material if these involve financial liability to the extent quantifiable exceeding 1% (Rs. 138.04 lakhs) of the total net worth of our Company in FY 2017-18. Further, those legal proceedings which may have impact on the future revenues involving potential financial liability to the extent quantifiable exceeding 1% (Rs. 278.38 lakhs) of the total revenue of our Company in FY 2017-18 would be treated as material.

MATERIAL DEVELOPMENT AFTER THE DATE OF THE AUDITED FINANCIAL STATEMENTS AS ON MARCH 31, 2018

In the opinion of our Board, there have not arisen since the date of the last audited financial statements i.e. March 31, 2018 and except as disclosed in the summary financial statements as on March 31, 2018, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next 12 months except that insurance claim amount of Rs. 1,122.35 Lakhs in respect of Howrah Plant of our Company has been received in June, 2018 and issue proceeds from the Rights Issue of Rs. 4,973.32 Lakhs were received in May 2018.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other statutory and regulatory agencies. Our Company is proposing to reinstate the Nashik Plant which was earlier destroyed by fire in November, 2016. Our Company will be applying for necessary licenses, permissions and approvals with respect to Construction and commissioning of the plant.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

Stated below are the details of the approvals applied for as on the date of this Letter of Offer, but not yet received:

I. Approvals for the Issue

The Board of our Company has, pursuant to resolutions passed at its meeting held on May 23, 2018 authorized the Rights Issue. Shareholders of our Company has approved the increase in authorized capital and the present Rights Issue by special resolution through postal ballot results of which were declared on 7th July, 2018.

II. Approvals being obtained by our Company

Material approvals for which applications have been made by our Company but are yet to be granted and applications are pending.

Sr. No.	Nature of license/ approval	Registration No./License No.	Issuing Authority	Date of Grant of License /Approval / Date of Renewal	Status	Validity
Uttar Pradesh (Kanpur Godown)						
1.	Renewal of Fire Safety certificate.	FS/Godown/Fire/2017	Fire Officer, Lantush Road, Kanpur	September 17, 2018	Pending (Application filed for renewal of fire safety Certificate dated February 15, 2018)	Valid upto June 11, 2018
West Bengal (Howrah Factory)						
2.	Certificate of Enlistment under Howrah Municipal Corporation Act, 1980	HMC/W45/36971/17	License Officer (Acting Howrah Municipal Corporation)	April 1, 2017	Pending (Application for renewal of Certificate of Enlistment for Trade Callings and Professions has been filed). (Application no. -6608 dated May 3, 2018)	Valid upto March 31, 2018
Punjab						

a) Jalandhar (Godown)						
3.	Application for Registration under Punjab Shops & Commercial Establishment Act, 1958	19/14086	Jalandhar Municipal Corporation, Punjab	May 25, 2017	Pending (Application filed for Registration under Punjab Shops & Commercial Establishment Act, 1958)	Was valid till May 24, 2018
b) Zirakpur (Godown cum Office)						
4.	Application for Registration under Punjab Shops & Commercial Establishments Act, 1958 for the Godown at Zirakpur	File No-SCF 20180420991	Inspector, Shops and Establishments	April 27, 2018	Pending	New application filed

OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Issue has been authorized by our Board by a resolution passed at its meeting held on May 23, 2018 pursuant to Section 62 of the Companies Act, 2013. The Board of Directors in its meeting held on May 23, 2018 has approved the present rights issue and also increase in Authorized Share Capital of our Company from Rs. 8,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs. 2/- each to Rs. 20,00,00,000/- divided into 10,00,00,000 Equity Shares of Rs. 2/- each. Shareholders of our Company has approved the increase in authorized capital and the present Rights Issue by special resolution through postal ballot, result of which was declared on 7th July, 2018.

The Issue Price of ₹ 64.50 per Rights Equity Share and the Rights Entitlement of 3 Rights Equity Share for every 2 fully paid-up Equity Shares held on the Record Date, i.e. November 09, 2018 has been determined by the Board in its meeting held on October 25, 2018. The Issue Price has been arrived at in consultation with the Lead Manager. Further, the Letter of offer has been approved by our Board of Directors in their meeting held on November 17, 2018.

Our Company has received in-principle approvals from the BSE and the NSE under Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters, DCS/RIGHT/SR/FIP/3064/2018-19 dated August 01, 2018 and NSE/LIST/56600 dated August 07, 2018, respectively.

Prohibition by RBI, SEBI or other governmental authorities

Our Company, the Promoters, the Directors, Promoter Group, persons in control of our Company and persons in control of the Corporate Promoter as well as its directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority except that our corporate promoter Hind Strategic Investments (HSI), an Overseas corporate body, is not eligible to participate in the rights issue as per RBI guidelines.

The companies with which our Promoters, our Promoter Group, our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Company, our Promoters, our Directors, our Promoter Group, are or have been classified as a wilful defaulter.

None of our Directors are associated with the securities market in any manner.

Eligibility for the Issue

The Equity Shares of our Company are presently listed on the BSE and NSE. This issue is being undertaken in terms of Chapter IV of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2) of SEBI ICDR Regulations, 2009, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

Compliance with Part E of Schedule VIII of SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII to the SEBI ICDR Regulations as explained below:

- (a) Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreements and the SEBI Listing Regulations, to the extent applicable for the last three years immediately preceding the date of filing of the Draft Letter of Offer with SEBI;

- (b) The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE and NSE, which are the recognised stock exchanges with nationwide trading terminals; or on a common e-filing platform specified by SEBI.
- (c) Our Company has an investor grievance-handling mechanism which includes meeting of the Share Transfer Committee and Shareholders / Investors Grievance Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SPA CAPITAL ADVISORS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 10 July 2018 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

WE CONFIRM THAT:

- (A) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOT APPLICABLE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER / LETTER OF OFFER. - NOT APPLICABLE
7. WE UNDERTAKE THAT SUB-REGULATION 4 OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE MAY BE RELEASED TO ISSUER COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATIONS 56 OF SEBI REGULATIONS.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTER EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. - NOT APPLICABLE
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH IND AS 24 IN THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT LETTER OF OFFER.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) - NOT APPLICABLE

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our company and the lead manager accept no responsibility for statements made otherwise than in this letter of offer/Letter of Offer or in any advertisement or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented to our company and the lead manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with Stock Exchanges.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gurugram, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be BSE.

Disclaimer Clause of the BSE

As required, a copy of the draft letter of offer has been submitted to BSE (the designated stock exchange). BSE Limited has given vide its Letter dated August 01, 2018, permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchange on which this company's securities are to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. The Exchange does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the draft letter of offer has been submitted to NSE. As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/56600 dated August 07, 2018 permission to the Issuer to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange, nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

The Draft Letter of Offer was filed with SEBI at The Regional Director, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi – 110 001 for its observations. SEBI has vide its letter NRO/CFD/DIL/SKS/EK/OW/1973/2018 dated October 15, 2018 issued its final observations and the Letter of Offer has been filed with the Designated Stock Exchange.

Listing

The existing Equity Shares are listed on the BSE & NSE. We had filed in-principle approval application to obtain in-principle approval from the BSE & NSE in respect of the Equity Shares being offered in terms of the Issue and received in principle approval from both BSE and NSE on August 01, 2018 and August 07, 2018 respectively

If the permission to deal in and for an official quotation of the securities is not granted by the Stock Exchanges mentioned above, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

We will issue and dispatch Allotment advice / share certificates / demat credit and / or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date.

In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Consents

Consents in writing of the Promoter, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to the Company, Statutory Auditors and Banker to the Issue to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of the Letter of Offer.

Expert opinion

Except for (i) the reports of the Statutory Auditors on the audited Financial Information, and (ii) the Statement of Tax Benefits available to our Company and its Shareholders included in this Letter of Offer, we have not obtained any expert opinions.

Issue related expenses

The expenses of the Issue payable by our Company include brokerage, fee and reimbursement to the Lead Manager, Legal Advisors to the issue, Registrar to the Issue, Printing and distribution expenses, publicity, listing fee, stamp duty and other expenses and will be met out of the Issue proceeds. For further details, see “Objects of the Issue” beginning on page 55.

Public or rights issues by our Company during the last five years

Our Company has not made any public issue in last 5 years but has come out with a rights issue of Equity Shares at a price of Rs. 140/- per share (including share premium of Rs. 138/-) aggregating Rs. 4973.32 lakhs which was open from March 31, 2018 to April 19, 2018. The shares in the Rights Issue were allotted on April 27, 2018.

Previous issues of securities otherwise than for cash

Except as disclosed in “*Capital Structure*” on page 39, our Company has not made any issue of securities for consideration otherwise than cash.

Commission or brokerage in previous issue of Equity Shares

No sum is payable as commission or brokerage for any of our previous issue(s) of Equity Shares.

Previous capital issue during the previous three years by listed Promoter Group and Subsidiaries of our Company

None of our Subsidiaries are listed. None of our Promoter Group have made any public or rights issue during the last three years.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as of the date of this Letter of Offer.

Investor Grievances and Redressal System

We have adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Regulations.

Our Company's investor grievances arising out of the Issue will be handled by Beetal Financial & Computer Services Pvt Ltd, the Registrar to the Issue. The Registrar to the Issue will have a separate team of Personnel handling only post – Issue correspondence. All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone/cell numbers, e-mail id of the first Applicant, number and type of Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished. The average time taken by the Registrar for attending to routine grievances will be seven to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Beetal Financial & Computer Services Pvt Ltd

SEBI Regn. No.: INR000000262

Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062

Tel.: +91 011 2996 1281-83

Fax: +91 011 2996 1284

E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com

Investor Grievance e-mail id: investor@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Mr. S P Gupta

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non receipt of allotment advice / share certificates / demat credit / refund orders etc.

Mr. Nitin Gupta

Compliance Officer & Company Secretary

Shalimar Paints Limited

Stainless Centre, 4th floor,

Plot No. 50, Sector 32,

Gurgaon -122001

Tel. No.: + 91 124 4616600

Fax No.: + 91 124 4616659

Email: nitin.gupta@shalimarpaints.com

Our Board has constituted the Stakeholders' Relationship Committee. This committee currently comprises of 3 members, namely Mr. Alok Perti, Mr. Gautam Kanjilal and Ms. Pushpa Chowdhary. Our Stakeholders' Relationship Committee oversees the reports received from the registrar and transfer agent and facilitates the prompt and effective resolution of complaints from our shareholders and investors. Its broad terms of reference include:

- Redressal of Equity Shareholder and Investor complaints including, but not limited to non-receipt of share certificates, transfer of Equity Shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc. and
- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by our Company.

Status of Shareholders Complaints

(a) No. of shareholders complaints outstanding as on October 31, 2018: Nil

(b) Status of the pending complaints: Not applicable

Change in auditors during last three years

In the AGM held on 28 September, 2017 shareholders have approved the appointment of M/S A.K Dubey & co., Chartered Accountants as the Statutory Auditor for five years.

Capitalisation of reserves or profits

Our Company has not capitalised reserves or profits during last five years.

Revaluation of assets

Our Company has not revalued its assets during last five years. However, our Company has adopted IND AS from April 1, 2017. Accordingly assets has been recognized at fair value with effect from April 1, 2016 (transition date) in accordance with option given under IND AS 101 and impact of the same has been considered as a part of retained earnings.

Minimum Subscription

If our Company does not receive the minimum subscription of ninety percent of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

OFFERING INFORMATION

The Equity Shares proposed to be issued are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the CAF enclosed with the Letter of Offer, the Memorandum and Articles of Association, the provisions of the Companies Act, FEMA, the SEBI Regulations, any other regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by SEBI, RBI and/ or other statutory authorities and bodies from time to time, and the terms and conditions as stipulated in the Allotment advice or letters of Allotment or share certificate and rules as may be applicable and introduced from time to time. All rights/ obligations of Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non Institutional Investors and other applicants whose application amount exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) investors whose application amount is less than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see “Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process” on page 237 of the Letter of Offer.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/rights issues and clear demarcated funds should be available in such account for ASBA applications.

Please note that in terms of the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“SEBI FPI Regulations”), foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995.

All rights/obligations of the Eligible Equity Shareholders in relation to application and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by our Board by a resolution passed at its meeting held on May 23, 2018 pursuant to Section 62 of the Companies Act, 2013. Shareholders of our Company have approved the increase in authorized capital and the present Rights Issue by special resolution through postal ballot results of which were declared on 7th July, 2018. Further, the Letter of Offer has been approved by our Board of Directors in their meeting held on November 17, 2018.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing equity shareholders of our Company whose names appear, as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e., November 09, 2018, fixed in consultation with the Designated Stock Exchange.

Ranking of Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association. The Equity Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects, including payment of dividends.

Mode of Payment of Dividend

We shall pay dividends (in the event of declaration of such dividends) to our equity shareholders as per the provisions of the Companies Act and our Articles of Association.

Our Company will dispatch the Letter of Offer and CAF (the “Offering Materials”) to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In terms of the provisions of the Companies Act, 2013 our Company will serve documents at the addresses, including email addresses which have been provided by the members. Though our Company has requested all the Shareholders to provide their updated addresses for the purpose of distribution of Offering Materials, still despite all efforts, some Eligible Equity Shareholders may neither receive the original CAF nor may be in a position to obtain the duplicate CAF. Such Shareholders are being advised that they may make an Application to subscribe to the Issue on plain paper.

Any person who acquires Rights Entitlements or the Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THE ISSUE

Face Value

Each Equity Share shall have the face value of ₹ 2 each.

Issue Price

Each Equity Share is being offered at a price of ₹ 64.50 (including a premium of ₹ 62.50 per Equity Share). The Issue Price has been arrived at by us in consultation with the Lead Manager.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the existing equity shareholders of our Company in the ratio of 3 Equity Share for every 2 Equity Shares held as on the Record Date.

As your name appears as a beneficial owner in respect of Equity Shares held in the electronic form or appears in the register of members as an equity shareholder of our Company as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF enclosed with the Letter of Offer.

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled “Offering Information - Application on Plain Paper” on page 235 and 239 respectively.

Terms of payment

The entire amount of ₹ 64.50 per Equity Share is payable on application. Where an applicant has applied for additional Equity Shares and is allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. Our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or not in the multiple of 2, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any. Additional Equity Shares allotted over and above the Rights Entitlement would be adjusted from the unsubscribed portion of the Issue, if any.

Those Equity Shareholders holding less than 2 Equity Shares will therefore be entitled to zero Equity Shares under this Issue and shall be dispatched a CAF with zero entitlement. Such Equity Shareholders are entitled to apply for additional Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

Arrangement for Odd Lot Equity Shares

Our Company has not made any arrangements for the disposal of odd lot Equity Shares arising out of the Issue. Our Company will issue certificates of denomination equal to the number of Equity Shares being allotted to the Equity Shareholder.

Listing and trading of Rights Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE (Scrip Code: 509874) and the NSE (Scrip Code: SHALPAINTS) under the ISIN – INE849C01026. The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing and trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as possible and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. We have made an application for “in-principle” approval for listing of the Equity Shares to the BSE and the NSE and have received such approval from the BSE and the NSE pursuant to the letter numbers DCS/RIGHT/SR/FIP/3064/2018-19 and NSE/LIST/56600, dated August 01, 2018 and August 07, 2018, respectively.

Our Company will apply to the BSE and the NSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or that the price at which the Rights Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

GENERAL TERMS OF THE ISSUE

Market lot

The Equity Shares of our Company is tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one.

In case of holding in physical form, our Company would issue to the allottees one certificate for the Equity Shares allotted to one folio ("Consolidated Certificate"). In respect of the Consolidated Certificate, our Company will, upon receipt of a request from the Equity Shareholder, split such Consolidated Certificate into smaller denomination within one month's time from the request of the Equity Shareholder in accordance with the provisions of the Articles of Association.

Joint-Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to provisions contained in the Articles of Association.

Nomination facility

In terms of Section 72 of the Companies Act, 2013, nomination facility is available in case of Equity Shares. An applicant can nominate, by filling the relevant details in the CAF in the space provided for this purpose.

A sole Eligible Equity Shareholder or first Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A Person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Share by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered and Corporate Office or such other person at such addresses as may be notified by our Company. The applicant can make the nomination by filling in the relevant portion of the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares to be allotted in the Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Notices

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English National Daily and one Hindi National Daily with wide circulation (including the place where our Registered Office is situated) and/ or will be sent by ordinary post or registered post or speed post to the registered address of the Equity Shareholders in India as updated with the Depositories/ registered with the Registrar and Transfer Agent from time to time.

Subscription by the Promoter/Promoter Group

One of our Promoters, M/s. Hind Strategic Investments (“HSI”) which is an Overseas Corporate Body (OCB) will not be eligible to participate in the present rights issue (i.e neither it can subscribe nor renounce its Rights entitlement) in view of Para 5(2)(C) of the notification No. FEMA 101/2003-RB dated October 3, 2003 issued by RBI under Section 6 of the FEMA 1999 and further clarification by RBI vide its email dated January 24, 2018. HSI presently holds 25.96% of our paid up share capital. However, our other promoter Mr. Ratan Jindal, on his behalf and on behalf of the Promoter Group (other than HSI), has given undertaking vide his letter dated August 24, 2018 to subscribe to the entitlement of the entire Promoter and Promoter Group (including entitlement on the shareholding of HSI) in full either through themselves or through other members of the Promoter and Promoter Group or through investors, either through subscription in part or full and/or application for additional shares; and/or by renouncing their Rights Entitlement in part or full.

In such an event, the shareholding of Promoter and Promoter Group in our Company may accordingly stand modified. Further, Our Promoters and Promoter Group reserve the right either through themselves or through investors to additionally subscribe for any unsubscribed portion in the Issue. Such subscription to additional Equity Shares and the unsubscribed portion of the Issue, if any, to be made by the Promoter and the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in our Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws.

Procedure for Application

The CAF for Rights Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of

the Eligible Equity Shareholder(s) does not match with the specimen registered with us or the DP, the application is liable to be rejected.

Please note that neither our Company, nor the Lead Manager nor the Registrar shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Shareholder violates any of these requirements, he/she shall face the risk of rejection of both applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000 complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is less than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process

Please also note that by virtue of the circular No. 14 dated September 16, 2003 issued by the RBI, erstwhile Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Shareholder being an erstwhile OCB is required to obtain prior approval from RBI for applying to the Issue.

Abridged Letter of Offer and Composite Application Form (CAF)

The Registrar will dispatch the Abridged Letter of Offer and the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date by registered post / speed post. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA process and have complied with the parameters mentioned above will have to select the relevant mechanism in Part A of the CAF and provide necessary details.

Application in electronic mode will only be available with SCSBs. The Eligible Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in the said bank account maintained with the same SCSB.

Please note that no more than five Applications (including CAF and plain paper) can be submitted per bank account in the Issue. ASBA Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application of Rights Equity Shares by Renouncee(s);
- Part D: Form for request for split Application forms.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Shareholder is entitled to. An Eligible Equity Shareholder can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Equity Shares in part;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the collection branches of the Banker to the Issue as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at Centres not covered by the branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at New Delhi/Mumbai, demand draft payable at New Delhi/Mumbai to the Registrar to the Issue by registered post/ speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings “*Mode of Payment for Resident Eligible Equity Shareholders/ Investors*” and “*Mode of Payment for Non-Resident Eligible Equity Shareholders/ Investors*” on page 253.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of our Board, subject to sectoral caps and prescribed limits as per applicable laws and in consultation if necessary with the Designated Stock Exchange.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Rights Equity Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that we shall not Allot and/ or register the Rights Equity Shares in favour of the following Renouncees (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the depositories), (iv) HUF, or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Eligible Equity Shareholders may not renounce in favour of persons or entities in the U.S., or to, or for the account or benefit of a “U.S. Person” (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation other than as stated above is subject to the renouncer(s)/renouncee(s) obtaining the approval of the FIPB and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF or SAF. In case of Applications which are not accompanied by the aforesaid approvals, our Board reserves the right to reject such CAF or SAF.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this Issue has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for us of the fact of renouncement to the person(s) applying for Rights Equity Shares in Part ‘C’ of the CAF for the purposes of Allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part ‘A’ of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person. In terms of Regulation 6 of Notification No. FEMA

20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renounees without assigning any reason thereof.

Renunciations by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Equity Shareholder in favour of one Renounee

If you wish to renounce the Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

To renounce in part/ or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire Rights Entitlement under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of SAFs. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as mentioned herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with us/ Depositories, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or to any of the collection branches of the Bankers to the Issue as mentioned in the reverse of the CAF on or before the Issue Closing Date along with the application money in full. The Renounee cannot further renounce.

Change and/ or introduction of additional holders

If you wish to apply for the Rights Equity Shares jointly with any other person(s), not more than three (including you), who is/ are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the request for Allotment from the Renounee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

S. No	Option Available	Action Required
(i)	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign in the same sequence)
(ii)	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of Rights Entitlement and Block IV relating to additional Equity Shares (All joint holders must sign in the same sequence)
(iii)	Accept a part of your Rights Entitlement and renounce the balance to one or more Renounee(s) OR Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renounee	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renounee. Each of the Renounee should fill in and sign Part C for the Equity Shares accepted by them.
(iv)	Renounce your Rights Entitlement in full to one person (Joint Renounees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renounee. The Renounee must fill in and sign Part C (All joint Renounees must sign)
(v)	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renounee must fill in and sign Part C.

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof, and one SAF for the balance corresponding Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholder for the SAFs should reach the Registrar on or before December 10, 2018.
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Eligible Equity Shareholder(s) by post at the Applicant's sole risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the U.S. or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with us or the Depositories.

- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- Applicants must write their CAF number at the back of the cheque / demand draft.
- The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least 7 days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications.

Neither the Registrar nor the Lead Manager or our Company, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper (Non - ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with account payee cheque drawn on a bank payable at par, pay order/demand draft (after deducting banking and postal charges) payable at New Delhi/Mumbai which should be drawn in favour of “*Shalimar Paints Limited – Rights Issue - R*” in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “*Shalimar Paints Limited – Rights Issue – NR*” in case of non-resident shareholders applying on repatriable basis and send the same by registered post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date. The envelope should be super scribed “*Shalimar Paints Limited – Rights Issue - R*” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis, and “*Shalimar Paints Limited – Rights Issue – NR*” in case of non-resident shareholders applying on repatriable basis.

- The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with us or the Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:
- Name of Issuer, being Shalimar Paints Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of Rs. 64.50 per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings/ current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Rights Equity Shares allotted in demat form, the bank account details will be obtained from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; Documentary evidence for exemption to be provided by the applicants;
- Share certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;

- If the payment is made by a draft purchased from NRE/ FCNR/ NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account;
- Signature of the Applicant to appear in the same sequence and order as they appear in our records / Depositories; and
- For ASBA Investors, application on plain paper should have details of their ASBA Account.
- Additionally, all such applicants are deemed to have accepted the following:

"I am/we are entitled to subscribe for and acquire the Rights Equity Shares under the laws of all relevant jurisdictions that apply to me/us and I/we have fully observed such laws and complied with all necessary formalities to enable me/us to subscribe for the Rights Equity Shares.

I was/we were outside the United States (within the meaning of Regulation S) under the Securities Act, at the time the offer of the Rights Equity Shares was made to me/us and I was/we were outside the United States when my/our buy order for the Rights Equity Shares was originated.

I/we did not purchase the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

The Rights Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and I/we will not offer or sell the Rights Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

If I/we acquired any of the Rights Equity Shares as fiduciary or agent for one or more investor accounts, I/we have sole investment discretion with respect to each such account and I/we have full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

I/we shall indemnify and hold Shalimar Paints Limited harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. I/we agree that the indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

I/we acknowledge that Shalimar Paints Limited and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. We shall refund such application amount to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Manager and our Directors. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue.

Last date for Application

The last date for submission of the duly filled in CAF is December 17, 2018. Our Board may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or any authorized committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any authorized committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, we, our Directors, Affiliates, Associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is less than ₹2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renounees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “General Terms of the Issue” on page 229.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and/or such other website(s) as may be prescribed by the SEBI or Stock Exchange(s) from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares through the ASBA Process is available only to the Eligible Equity Shareholders on the Record Date.

To qualify as ASBA Applicants, Eligible Equity Shareholders:

- are required to hold Rights Equity Shares in dematerialized form as on the Record Date and apply for: (i) their Rights Entitlement; or (ii) their Rights Entitlement and Rights Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF and further renounced it;
- should not be Renounees;
- should apply through blocking of funds in bank accounts maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA will have to select for this ASBA payment mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI Circular dated December 30, 2009.

Acceptance of the Issue under the ASBA process

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board or any committee thereof in this regard.

Mode of payment under the ASBA process

The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of instructions from the Registrar, the SCSBs shall transfer amount to the extent of Rights Equity Shares allotted in the Rights Issue as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, we would have a right to reject the application only on technical grounds.

A Retail Individual Investor applying for a value of up to ₹2,00,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A of the CAF (All joint holders must sign)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (All joint holders must sign)

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The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA process option in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the designated branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process option.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for the Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Offering Information*” on page 227.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Application on Plain Paper under the ASBA process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. The Equity Shareholder shall submit the plain paper application to the Designated Branch of SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed “*Shalimar Paints Limited – Rights Issue- R*” or “*Shalimar Paints Limited – Rights Issue- NR*”, as the case may be. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with us or the Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Shalimar Paints Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount to be paid at the rate of ₹64.50 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts (subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity), PAN of the Investor and for each Investor in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Signature of the Shareholders to appear in the same sequence and order as they appear in our records or depositories records; and
- Additionally, all such applicants are deemed to have accepted the following:

"I am/we are entitled to subscribe for and acquire the Rights Equity Shares under the laws of all relevant jurisdictions that apply to me/us and I/we have fully observed such laws and complied with all necessary formalities to enable me/us to subscribe for the Rights Equity Shares.

I was/we were outside the United States (within the meaning of Regulation S) under the Securities Act, at the time the offer of the Rights Equity Shares was made to me/us and I was/we were outside the United States when my/our buy order for the Rights Equity Shares was originated.

I/we did not purchase the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

The Rights Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and I/we will not offer or sell the Rights Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

If I/we acquired any of the Rights Equity Shares as fiduciary or agent for one or more investor accounts, I/we have sole investment discretion with respect to each such account and I/we have full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

I/we shall indemnify and hold Shalimar Paints Limited harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. I/we agree that the indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

I/we acknowledge that Shalimar Paints Limited and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements."

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

- 1) Please read the instructions printed on the CAF carefully.
- 2) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer and the Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English. No correction of name, folio/DP client id etc., should be made in the printed CAF sent.
- 3) ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.
- 4) The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose ASBA Account/ bank account details are provided in the CAF and not to the Banker to the Issue/ Collecting Banks (assuming that such Collecting Bank is not a SCSB), to us or Registrar or Lead Manager to the Issue.

- 5) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/ her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**
- 6) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- 7) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us and/ or Depositories.
- 8) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the depository/ us. In case of joint applicants, reference, if any, will be made in the first applicant’s name and all communication will be addressed to the first applicant.
- 9) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Equity Shareholder, folio numbers and CAF number.
- 10) Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
- 11) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- 12) Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
- 13) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
- 14) Please note that subject to SCSBs complying with the requirements of SEBI circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.
- 15) In case of non - receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “*Application on Plain Paper*” on page 235 and 239.

Do’s:

- 1) Ensure compliance with eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.
- 2) Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
- 3) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
- 4) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- 5) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- 6) Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- 7) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

- 8) Except for CAFs submitted on behalf of the Central or State Government and the officials appointed by the courts, each applicant should mention their PAN allotted under the Income Tax Act.
- 9) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- 10) Ensure that the Demographic Details are updated, true and correct, in all respects.
- 11) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.
- 12) Apply under ASBA process only if you comply with the definition of an ASBA Investor.

Don't's:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- Do not pay the amount payable on application in cash, by money order, by pay order or by postal order.
- Do not send your physical CAFs to the Lead Manager/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Do not apply if the ASBA account has already been used for five Eligible Equity Shareholders.
- Do not apply through the ASBA Process if you are not an ASBA Investor.
- Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejections under the ASBA Process

In addition to the grounds listed under “Grounds for Technical Rejections for non-ASBA Investors” on page 250, applications under the ASBA Process are liable to be rejected on the following grounds:

- Application on a SAF
- Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Submission of an ASBA application on plain paper to a person other than a SCSB.
- Sending CAF to a Lead Manager/ Registrar/ Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Company.
- Insufficient funds being available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details have been mentioned in the CAF / Plain Paper Application having been frozen pursuant to regulatory order.
- ASBA Account holder not signing the CAF or declaration mentioned therein.
- CAFs which have evidence of being executed in/ dispatched from a restricted jurisdiction or executed by or for the account or benefit of a U.S. Person (as defined in Regulation S).
- Renounees applying under the ASBA Process.
- Submission of more than five CAFs per ASBA Account.
- QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Rights Equity Shares in the Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renounee not applying through the ASBA process.
- The application by an Eligible Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR number instead of the PAN.
- An investor, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	December 03, 2018
Last date for receiving requests for Split Application Forms (SAFs):	December 10, 2018
Issue Closing Date:	December 17, 2018

The Board may however decide to extend the Issue period, as it may determine from time to time, but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, Abridged Letter of Offer, CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- i. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- ii. Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with Zero entitlement would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (i) above. If number of Equity Shares required for Allotment under this head are more than number of Equity Shares available after Allotment under (i) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, as a part of Issue and will not be a preferential allotment.
- iii. Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an unsubscribed portion after making full Allotment in (i) and (ii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/Committee in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- iv. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (i), (ii) and (iii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- v. Allotment to any other person that the Board as it may deem fit provided there is surplus available after making Allotment under (i), (ii), (iii) and (iv) above, and the decision of the Board in this regard shall be final and binding.

One of our Promoters, M/s. Hind Strategic Investments (“HSI”) which is an Overseas Corporate Body (OCB) will not be eligible to participate in the present rights issue (i.e neither it can subscribe nor renounce its Rights entitlement) in view of Para 5(2)(C) of the notification No. FEMA 101/2003-RB dated October 3, 2003 issued by RBI under Section 6 of the FEMA 1999 and further clarification by RBI vide its email dated January 24, 2018. HSI presently holds 25.96% of our paid up share capital. However, our other promoter Mr. Ratan Jindal, on his behalf and on behalf of the Promoter Group (other than HSI), has given undertaking vide his letter dated August 24, 2018 to subscribe to the entitlement of the entire Promoter and Promoter Group (including entitlement on the shareholding of HSI) in full either through themselves or through other members of the Promoter and Promoter Group or through investors, either through subscription in part or full and/or application for additional shares; and/or by renouncing their Rights Entitlement in part or full.

In such an event, the shareholding of Promoter and Promoter Group in our Company may accordingly stand modified. Further, Our Promoters and Promoter Group reserve the right either through themselves or through investors to additionally subscribe for any unsubscribed portion in the Issue. Such subscription to additional Equity Shares and the unsubscribed portion of the Issue, if any, to be made by the Promoter and the Promoter Group, shall be in accordance with regulation 10(4) of the SEBI Takeover Regulations. Their entitlement to subscribe to the Issue would be restricted to ensure that the public shareholding in our Company after the Issue does not fall below the permissible minimum level as specified in the applicable laws.

After taking into account Allotment to be made under (i) to (iv) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- 1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Investors;
- 2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 3) The details of rejected ASBA applications, if any, to enable the SCBSs to unblock the respective ASBA Accounts.

Underwriting

The issue is not to be underwritten.

Allotment Advices/ Refund Orders

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the Reserve Bank of India (“RBI”), payment of refund would be done through NACH except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Equity Share certificates will be kept ready within two months from the date of Allotment thereof under section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Equity Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor’s registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Our Company shall ensure at par facility is provided for encashment of refund orders or pay orders at the places where applications are accepted.

As regards allotment/refund to Non-residents, the following further conditions shall apply:

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-Resident Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription, would be done through any of the following modes:

- 1 NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including

the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- 2 National Electronic Fund Transfer (“NEFT”) - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- 3 Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- 4 RTGS - If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- 5 For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- 6 Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at New Delhi/Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/ refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/ Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within the timeline prescribed under applicable law. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL and the Registrar to the Issue on October 09, 2015, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. We have also signed a tripartite agreement with CDSL and the Registrar to the Issue on August

31, 2015, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in our records. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in our records). In case of Investors having various folios with different joint holders, the Investors will have to open separate accounts for such holdings. Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficiary account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
- If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.
- The Rights Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to the applicant the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

- (i) Please read the instructions printed on the CAF carefully.
- (ii) Applicants that are not QIBs or are not Non – Institutional Investor or those who's Application Money does not exceed ₹200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
- (iii) Application should be made on the printed CAF, provided by us except as mentioned under the head “Application on Plain Paper” on page 235 and 239 should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's/ husband's name must be filled in block letters.
- (iv) Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. The CAF together with the cheque/ demand draft should be sent to the Banker to the Issue/ Collecting Bank or to the Registrar to the Issue and not to us or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorized by us for collecting applications, will have to make payment by demand draft payable at New Delhi/Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post/speed post. If any portion of the CAF is/ are detached or separated, such application is liable to be rejected. **CAF's received after banking hours on closure day will be liable for rejection.**

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

- (v) Except for applications on behalf of the Central and State Government and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN allotted under the Income Tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- (vi) Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- (vii) All payment should be made by cheque/ demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (viii) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us/ Depositories.
- (ix) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment

under this Issue and to sign the application and certified true a copy of the Memorandum and Articles of Association and/ or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with us, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.

- (x) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with us or the Depositories. Further, in case of joint Investors who are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- (xi) Application(s) received from NRs/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/ NRIs in the U.S. or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- (xii) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of Allotment, should be sent to our Registrar and Transfer Agent, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- (xiii) SAFs cannot be re-split.
- (xiv) Only the Equity Shareholder(s) and not Renounee(s) shall be entitled to obtain SAFs.
- (xv) Investors must write their CAF number at the back of the cheque/ demand draft.
- (xvi) Only one mode of payment per application should be used. The payment must be by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (xvii) A separate cheque/ draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and applications accompanied by such outstation cheques/ outstation demand drafts/ money orders or postal orders will be rejected.
- (xviii) No receipt will be issued for application money received. The Banker to the Issue/ Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- (xix) The distribution of this Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Equity Shares.
- (xx) Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in;

- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- Ensure that your Indian address is available with our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- Ensure that the value of the cheque/ draft submitted by you is equal to the {(number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be)} before submission of the CAF. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at New Delhi/Mumbai of an amount net of bank and postal charges;
- Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Submission of CAFs to the SCSBs;
- Submission of plain paper Applications to any person other than the Registrar to the Issue;
- Age of Investor(s) not given (in case of Renounees);
- Except for CAFs on behalf of the Central or State Government and the officials appointed by the courts, PAN not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for Renounee(s) if the signature does not match with the records available with their Depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Letter of Offer;
- CAFs not duly signed by the sole/ joint Investors;
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
- CAFs accompanied by Stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand draft;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the U.S. or

other restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;

- CAFs which have evidence of being executed in/ dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where the registered address in India has not been provided;
- CAFs where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- CAFs submitted by Renounees where Part B of the CAF is incomplete or is unsigned. In case of joint holding, all joint holders must sign Part 'B' of the CAF;
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except bids by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Applications by Renounees who are persons not competent to contract under the Indian Contract Act, 1872, except minors having valid demat accounts / documents;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application; and
- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully, before filling the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Investment by FPIs, FIIs and QFIs

SEBI, On January 07, 2014, notified the SEBI FPI Regulations pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI FPI Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (QFI Circulars). Pursuant to the notification of the SEBI FPI Regulations, the FII Regulations were repealed and the QFI Circulars were rescinded.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an Investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the Eligible Equity Shareholders of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 06, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non- Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

In terms of Regulation 6 of Notification No. FEMA 20(R)/ 2017-RB dated November 07, 2017, as amended from time to time, only the existing non resident shareholders may subscribe for additional equity shares over and above the equity shares offered on Rights Basis by our Company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding ₹200,000 shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹200,000, subject to their fulfilling the eligibility conditions to be an ASBA Investor.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Mode of payment for Resident Eligible Equity Shareholders/ Investors

- All cheques/ drafts accompanying the CAF should be drawn in favour of “Shalimar Paints Limited – Rights Issue - R” crossed ‘A/c Payee only’ and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue;
- Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed ‘A/c Payee only’ and marked “Shalimar Paints Limited – Rights Issue - R” payable at New Delhi/Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. We, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Eligible Equity Shareholders/ Investors

As regards the application by non-resident Eligible Equity Shareholders/ Investors, the following conditions shall apply:

Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address:

Beetal Financial & Computer Services Pvt Ltd

SEBI Regn. No.: INR000000262

Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062

Tel.: +91 011 2996 1281-83

Fax: +91 011 2996 1284

E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com

Investor Grievance e-mail id: investor@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Mr. S P Gupta

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges, and marked “Shalimar Paints Limited – Rights Issue - R” payable at New Delhi/Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at New Delhi/Mumbai/cheque payable drawn on a bank account maintained at New Delhi/Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- (i) By Indian Rupee drafts purchased from abroad and payable at New Delhi/Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- (ii) By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance;

- (iii) By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in New Delhi/Mumbai;
- (iv) FIIs/FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;
- (v) Non-resident investors applying with repatriation benefits should draw cheques/ drafts in favour of 'Shalimar Paints Limited – Rights Issue - NR' and must be crossed 'account payee only' for the full application amount;
- (vi) Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- (i) As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at New Delhi/Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- (ii) All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of 'Shalimar Paints Limited – Rights Issue – R' and must be crossed 'account payee only' for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- (iii) Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- (iv) New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the I.T. Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447”.

Section 447 of the Companies Act provides for punishment for fraud which inter alia states punishment of imprisonment for a term which shall not be less than six month but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by us. However, the Banker to the Issue/ Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within the timelines prescribed under applicable law. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account referred to in the Companies Act, 2013;
- (b) Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised till the time any of the Issue Proceeds remained unutilised;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilized monies have been invested; and
- (d) We may utilize the funds collected in the Issue only after finalisation of the Basis of Allotment.

Our undertakings

We undertake the following:

1. The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within 7 working days of finalisation of Basis of Allotment.
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. The allotment of Equity Shares and dispatch of refund orders / share certificate and demat credit is completed within 15 days from the Issue Closing Date
6. The certificates of the securities / demat credit / refund orders to the non-resident Indians shall be dispatched within the specified time.
7. Our Company agrees that it shall pay interest @ 15% p.a. if the allotment is not made and / or the refund orders are not dispatched to the investors within 15 days from the Issue Closure Date for the delayed period.
8. No further issue of securities affecting equity capital of our Company shall be made till the securities issued/offered through the Letter of Offer Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
9. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.
10. At any given time there shall be only one denomination of Equity Shares.
11. We accept full responsibility for the accuracy of information given in the Letter of Offer and confirm that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
12. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.

13. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of ninety percent of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Important

- Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- It is to be specifically noted that the Issue of Equity Shares is subject to the risk factors mentioned in the section titled “Risk Factors” on page 9 of the Letter of Offer.
- All enquiries in connection with the Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super-scribed “Shalimar Paints Limited - Rights Issue” on the envelope) to the Registrar to the Issue at the following address:

Beetal Financial & Computer Services Pvt Ltd

SEBI Regn. No.: INR000000262

Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi – 110062

Tel.: +91 011 2996 1281-83

Fax: +91 011 2996 1284

E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com

Investor Grievance e-mail id: investor@beetalfinancial.com

Website: www.beetalfinancial.com

Contact Person: Mr. S P Gupta

The Issue will be kept open for a minimum of 15 days unless extended, in which case it will be kept open for a maximum of 30 days.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Letter of Offer), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram Haryana- 122 001 from 10.00 AM to 02.00 p.m. from the date of the Letter of Offer until the date of closure of the Rights Issue.

A. Material Contracts

1. Issue Agreement dated June 02, 2018 entered between our Company and the Lead Manager
2. Agreement dated June 02, 2018 entered between our Company and the Registrar to the Issue
3. Banker to the Issue Agreement dated November 06, 2018 between our Company, the Lead Manager, the Registrar to the Issue and Banker to the Issue.

B. Documents available for inspection

1. Certificate of Incorporation of our Company dated December 16, 1902.
2. Memorandum and Articles of Association of our Company.
3. Tripartite agreements dated October 09, 2015 and August 31, 2015 entered into with NSDL and CDSL respectively.
4. Copy of the Resolution passed by the Directors in their meeting dated May 23, 2018 approving the Issue.
5. Consents of the Promoters, Directors, Compliance Officer, Lead Manager to the Issue, Legal Counsel, Registrar to the Issue, Bankers to our Company, Statutory Auditors, Banker to the Issue to include their names in the Letter of Offer to act in their respective capacities.
6. Copy of resolution appointing the Managing Director.
7. Notice of Postal Ballot seeking approval of Rights issue.
8. Copy of special resolution passed by the shareholders on 06 July, 2018 approving the issue.
9. Annual Reports for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018.
10. Audited Financial Statements for last three financial years ending March 31, 2018, March 2017 and March 31, 2016.
11. Limited Review Report for the Quarter and Six Months period ended September 30, 2018
12. Statement of Tax Benefits dated 23 May, 2018 received from the Statutory Auditors of our Company.
13. A Certificate from M/s N.C Aggarwal & Co. (Firm Reg. No. 003273N), Chartered Accountants dated November 13, 2018 for deployment of funds towards objects of the issue.
14. Quotations from vendors for Construction of Factory, equipment and machineries of Reinstatement of Nashik Plant.
15. Form SH-6 giving details of allotment of shares under ESOP Scheme.
16. A Valuation report for Employees Stock Option Scheme 2013 from M/s NDRL & Co., Chartered Accountants dated June 01, 2017.
17. Merchant Banker certificate dated April 04, 2014 and Auditor's Certificate dated March 12, 2014 in respect of ESOP Scheme 2013.
18. Letter of Offer dated March 22, 2018 for the previous Rights Issue aggregating to Rs. 4,973.32 Lakhs.
19. In-principle listing approval for this Issue dated August 01, 2018 and August 07, 2018 from BSE and NSE respectively.
20. SEBI Observation letter no. NRO/CFD/DIL/SKS/EK/OW/1973/2018 dated October 15, 2018.

Any of the contracts or documents mentioned in the Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the said issue as also the regulations, instructions etc. issued by SEBI, Government of India, Reserve Bank of India and any other competent authority in this behalf, have been duly complied with. We further certify that all statements made in this Letter of Offer are true and correct.

On behalf of the Board of Directors of Shalimar Paints Limited

Sd/-
Gautam Kanjilal
Chairman

Sd/-
Ashok Kumar Gupta
Vice - Chairman

Sd/-
Surender Kumar
Managing Director and CEO

Sd/-
Alok Perti
Director

Sd/-
Sandeep Gupta
Chief Financial Officer

Sd/-
Pushpa Chowdhary
Director

Sd/-
Nitin Gupta
Company Secretary

Place: Gurugram
Date: November 17, 2018